

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0148-06
Bill No.: CCS for HCS for SB 114
Subject: County Government; County Officials; Education, Elementary and Secondary;
Elections; Political Subdivisions
Type: Original
Date: May 12, 2017

Bill Summary: This proposal changes the laws regarding political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§43.505 Law Enforcement

In response to similar legislation filed this year, SCS for HCS for HB 57, officials from the **Department of Public Safety - Office of the Director (DPS)** stated section 43.505 adds language that any law enforcement agency that violates this section after December 31, 2021, may be ineligible to receive state or federal funds which would otherwise be paid to such agency for law enforcement, safety, or criminal justice purposes. This has no fiscal impact, but a change in practice.

§49.060 County Commission Vacancy

In response to a similar legislation filed this year, HB 234, officials at the **Office of the Governor** assumed there should be no added cost to the Governor's Office as a result of this measure. However, if there is an increase in the volume of gubernatorial appointments, there may be the need for additional staff resources in future years.

In response to a similar legislation filed this year, HB 234, officials from the **Kansas City Election Board, Platte County Board of Elections and St. Louis County Board of Election Commissioners** each assumed the proposal would have no fiscal impact on their respective organizations.

§50.622 and §50.740 Annual Budget

In response to similar legislation filed this year, SCS for HB 843, officials from the **Office of the State Auditor (SAO)** assumed this proposal would produce a small savings for mailing costs but it is difficult to calculate because it is unknown how many counties will use the electronic option.

§68.075 Port Authority

In response to similar legislation filed this year, HB 811, officials at **Department of Economic Development** assumed there was no fiscal impact from this proposal.

In response to similar legislation filed this year, HB 811, officials at the **Missouri Department of Transportation, Department of Revenue, Office of the State Treasurer, Joint Committee on Administrative Rules** and the **Office of the Secretary of State** assumed there was no fiscal impact from this proposal.

Oversight notes the Advanced Industrial Manufacturing Zone Act (AIM) was enacted on August 28, 2016 (SB 861) and has no current participants. It established the Port Authority AIM Zone Fund that is to consist of 50% of the state withholding tax from new jobs within the zone after

ASSUMPTION (continued)

development or redevelopment plans. The money in the fund must be used for expenses to continue expanding, developing, and redeveloping zones identified by the port authority. Currently the Fund has not been set up, since there are no participants in the program.

Oversight notes this proposal defines “county average wage” and clarifies the port authority’s jurisdiction. Oversight notes this proposal states that if the county average wage is above the statewide average wage then the statewide average wage is the wage used for determining eligibility. This county average wage definition is used when determining if employees that work less than fifty percent of the time in the facility are considered employees of the facility.

Oversight notes that this change could make it easier for new jobs to qualify for the fifty percent of state tax withholding being diverted from the state’s General Revenue Fund (GR). However, since Oversight reflected a \$0 or (Unknown) loss of GR revenue in the fiscal note for SB 861 in 2016, and since there are currently no participants in the program, Oversight will not reflect a fiscal impact from the changes in this bill.

§160.415 Early Childhood Funding

In response to similar legislation filed this year, HB 254, officials at the **Department of Elementary and Secondary Education (DESE)** assumed there was no additional cost to the state. There will be a loss to those charter schools which cannot include as local revenue, those funds designated by taxpayers as early childhood education funds.

DESE defers to the urban school districts regarding the extent of any funds that will remain in the district of residence rather than being distributed to the charter schools.

In response to similar legislation filed this year, HB 254, officials at the **Kansas City Public Schools** assumed this may have a positive fiscal impact by allowing all funds earmarked for early education to flow into the district and be used solely for early education purposes.

In response to similar legislation filed this year, HB 254, officials at the **City of Kansas City** assumed there was no fiscal impact from this proposal.

Oversight assumes this proposal would not fiscally impact General Revenue. However, this would result in some school districts retaining additional money while the charter school districts would lose the money. This transfer of money would be offsetting.

ASSUMPTION (continued)

§162.492 KCPS Elections

In response to similar legislation filed this year, SB 93, officials at the **Kansas City Board of Election Commissioners (KC BEC)** assumed this eliminates the April 2018 election, saving \$200,000. However, the cost of redistricting the school district from nine to seven members will cost approximately \$40,000 to \$45,000. The last redistricting done by the KC BEC was in 2011 and cost \$43,000.

Oversight notes SB 258 in 2013 lowered the number of board members from nine to seven.

In response to similar legislation filed this year, SB 93, officials at the **Kansas City Public Schools (KCPS)** assumed this would not create any additional unfunded mandates or have a negative impact on the district. KCPS provided costs for the KCPS school board elections held from 2011-2016.

Year	Election	Districts	Cost
2011	Nov Special	Sub District 6	\$43,600
2012	April Regular	At Large; Sub Districts 1, 2, 3 & 5	\$219,131
2012	Nov Special	Sub District 2	\$77,379
2014	April Regular	2 At Large; Sub Districts 4 & 6	\$92,499
2015	Nov Special	Sub District 2	\$62,997
2016	April Regular	At Large; Sub District 1, 3,& 5	\$52,896

Oversight notes this proposal will change the terms of office from 2 years to 4 years for members of the Kansas City Public Schools Board. Increasing the term of office will reduce the number of elections that Kansas City Public Schools must pay for. However, the price a political subdivision pays for an election is determined by the number of political subdivisions holding an election at the same time as well as the number of candidates on the ballot. Oversight is unable to determine if the Kansas City Public Schools will experience any savings because of the election held only every 4 years instead of every 2. Oversight will not show an impact from this provision.

ASSUMPTION (continued)

§182.640 and §182.660 - Board of Trustees of Libraries

In response to a similar legislation filed this year, HB 568, officials at the **Callaway County Commission, Boone County** and the **City of Kansas City** each assumed there was no fiscal impact to their respective entities from this proposal.

§473.730, §473.743 and §475.120 Public Administrator

In response to a similar legislation filed this year, HCS for SB 111, officials at the **Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Social Services** each assume no fiscal impact to their respective agencies from this proposal.

In response to a similar legislation filed this year, HCS for SB 111, officials at the **Jackson County Board of Election Commissioners** assumed no fiscal impact from this proposal.

In response to a similar legislation filed this year, HCS for SB 111, officials at the **Platte County Board of Election Commissioners, the Callaway County Commission, Johnson County** and **St. Louis County** each assumed no fiscal impact to their respective entities from this proposal.

§488.5320 MODEX Fund

In response to similar legislation filed this year, HB 57, officials from the **Department of Public Safety - Office of the Director (DPS)** state section 488.5320 allows the MODEX fund to accept funds from federal, state, local, and private entities which utilize the information from the fund to fight fraud and other activities. We see no fiscal impact due to this section.

Oversight notes this proposal would allow law enforcement to charge a fee for services rendered. Oversight will show a \$0 or Unknown impact from this proposal.

§513.653 Forfeiture Reports

In response to similar legislation filed this year, SB 414, officials from the **Department of Public Safety - Office of the Director (DPS)** stated section 513.653 removes DPS from receiving forfeiture reports, allows the law enforcement agencies more flexibility/ease with their reporting, and takes away the requirement for DPS to withhold funds for failure to submit the annual report. No fiscal impact, just a change in practice going forward.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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LOCAL POLITICAL SUBDIVISIONS FUNDS

<u>Revenue</u> - Urban Districts \$160.415	Unknown	Unknown	Unknown
<u>Revenue</u> - Law Enforcement Fee \$488.5320	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> - Charter School Districts \$160.415	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS FUNDS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

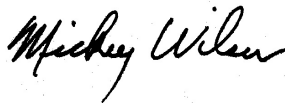
This bill excludes funds designated by taxpayers in an urban district as local early childhood education funds from the local tax revenue calculation used to provide funding to charter schools that have declared themselves as a local educational agency.

This proposal makes changes to the MODEX fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Boone County
Callaway County
City of Kansas City
Department of Economic Development
Department of Insurance, Financial Institutions and Professional Registration
Department of Public Safety
Department of Revenue
Department of Social Services
Joint Committee on Administrative Rules
Johnson County
Kansas City Board of Election Commission
Kansas City Public Schools
Missouri Department of Transportation
Platte County Board of Election Commissioners
Office of the Governor
Office of the State Auditor
Office of the Secretary of State
Office of the State Treasurer
St. Louis County Board of Election Commission
St. Louis County



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May 12, 2017

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