

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0441-04
Bill No.: CCS for HCS for SB 111
Subject: Counties; Bonds - Surety; Elections; County Government; County Officials;
 Property, Real and Personal
Type: Original
Date: May 10, 2017

Bill Summary: This proposal changes the law 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 6 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

§108.170

In response to a previous version, officials at the **City of Kansas City** assumed this proposal may have a positive fiscal impact on the City of an indeterminate amount.

Oversight assumes the local political subdivisions would not use the services of a municipal advisor unless it would either save money, provide some other benefit, or be absorbed within current budget appropriations. Therefore, Oversight will assume the proposal could have a positive fiscal impact to local political subdivisions from this proposal and will range the fiscal impact from \$0 to an unknown amount of savings.

In response to similar legislation from this year, HCS for SB 95, officials at **St. Louis County** and the **Platte County Board of Election Commission** each assumed no fiscal impact to their respective entities from this proposal.

In response to similar legislation from this year, HCS for HB 950, officials at the **Office of the State Treasurer** and the **Department of Public Safety** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation from this year, HCS for HB 950, officials at the **Callaway County Commission** assumed no fiscal impact from this proposal.

§135.963 and §347.048

§135.963

In response to a previous version, officials from the **Office of Administration - Division of Budget and Planning** assumed this proposal would exempt enhanced enterprise zones properties from property taxes for more than 25 years, provided that during the ten-year period prior to the enterprise zone expiration date, no exemption could be granted for more than ten years.

If this reduces the amount of property taxes collected, it would also reduce the amount going to the state's Blind Pension Fund, therefore reducing total state revenue. The constitutional revenue limit calculation could also be impacted.

In response to a previous version, officials at the **City of Kansas City** assumed a positive fiscal impact on the City in an indeterminate amount from this proposal.

In response to similar legislation from this year, SCS for SB 426, officials from the **Kirkville R-III School District** assumed any time exemptions are made it results in a negative fiscal impact for schools.

ASSUMPTION (continued)

In response to similar legislation from this year, SCS for SB 426, officials from **Callaway County, St. Louis County** and the **Platte County Board of Elections** assumed this proposal would have no fiscal impact on their organizations.

In response to similar legislation from this year, SCS for SB 426, officials from **Boone County, Johnson County**, the **Kansas City Public Schools**, and the **West Plains School District** assumed a previous version of this proposal would have no fiscal impact on their organization.

Oversight notes this proposal would limit property tax exemptions to ten years statewide, during the last ten years of authorization for the enhanced enterprise zone.

Oversight assumes the proposal would have no fiscal impact during the period covered by this fiscal note.

§347.048

In response to a previous version, officials at the **City of Kansas City** assumed this proposal will have a positive fiscal impact of an indeterminate amount.

Oversight assumes the positive fiscal impact to the City of Kansas City would be an indirect impact and therefore will reflect no direct fiscal impact for this proposal.

§§473.730, 473.743, 475.120

In response to a previous version, officials at **Johnson County** and **St. Louis County** each assumed no fiscal impact to their respective entities from this proposal.

Bill as a whole

Officials at the **Department of Revenue** assume no fiscal impact from this proposal.

In response to a previous version, officials at the **Department of Insurance, Financial Institutions and Professional Registration**, the **Office of State Auditor**, the **Office of Administration**, the **Joint Committee on Administrative Rules**, the **Office of the Secretary of State**, the **Office of the State Courts Administrator**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **State Tax Commission** and the **Department of Social Services** each assumed no fiscal impact to their respective agencies from this proposal.

In response to a previous version, officials at the **Jackson County Board of Election Commissioners** assumed no fiscal impact from this proposal.

In response to a previous version, officials at the **Platte County Board of Election Commissioners** and the **Callaway County Commission** each assumed no fiscal impact to their respective entities from this proposal.

<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

<u>Savings</u> - Local Political Subdivisions - employing the services of a municipal advisor when issuing debt (§108.170)	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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**ESTIMATED NET EFFECT ON
 LOCAL POLITICAL SUBDIVISIONS \$0 or Unknown \$0 or Unknown \$0 or Unknown**

FISCAL IMPACT - Small Business

Section 347.048 could have a direct fiscal impact on small businesses as a result of this proposal.

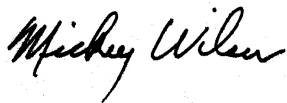
FISCAL DESCRIPTION

§108.170
 This bill requires that any political subdivision issuing debt must use a competitive process unless employing a municipal advisor. The municipal advisor can use a negotiated or competitive process to issue debt, but cannot profit financially either directly or indirectly from the underwriter of a negotiated bond issuance and must be independent of the underwriter. The bill also requires the State Treasurer to provide authoritative guidance and information to political subdivisions on debt issuance to aid them with the process of issuing debt and awarding bonds to the highest and best bidder.

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

Office of the State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration
 Division of Budget and Planning
Department of Revenue
State Tax Commission
Office of State Auditor
Department of Public Safety
Office of the State Treasurer
Jackson County Board of Election Commission
Platte County Board of Election Commission
St. Louis County Board of Election Commission
Kansas City Election Board
Callaway County Commission
Johnson County
St. Louis County
City of Kansas City
Kansas City Public Schools
West Plains School District
Kirksville R-III School District
Boone County



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May 10, 2017

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