

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0441-04  
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 111  
Subject: Counties; Bonds - Surety; Elections; County Government; County Officials;  
 Property, Real and Personal  
Type: Original  
Date: May 30, 2017

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

**FISCAL SUMMARY**

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

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

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

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

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

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

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

## FISCAL ANALYSIS

### ASSUMPTION

#### §108.170

Officials at the **City of Kansas City** assume 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** assumed no fiscal impact from this proposal.

#### §135.963 and §347.048

#### §135.963

Officials from the **Office of Administration - Division of Budget and Planning** assume 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 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.

In response to similar legislation from this year, SCS for SB 426, officials at **St. Louis County, Boone County, Johnson County** and the **Kansas City Public School District** each assumed no fiscal impact to their respective entities from this proposal.

**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

Officials at the **City of Kansas City** assume this proposal will have a positive fiscal impact of an indeterminate amount.

ASSUMPTION (continued)

**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 Insurance, Financial Institutions and Professional Registration**, the **Department of Revenue**, the **Office of State Auditor**, the **Office of Administration's Division of Accounting**, the **Department of Economic Development**, the **Office of the State Treasurer**, the **Joint Committee on Administrative Rules**, the **Office of the Secretary of State**, the **Office of the State Courts Administrator**, the **Department of Public Safety's Office of the Director**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **State Tax Commission** and the **Department of Social Services** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **Platte County Board of Election Commissioners**, the **Jackson County Board of Election Commissioners**, the **St. Louis County Board of Election Commissioners**, the **City of Columbia**, the **North Kansas City School District** and the **West Plains School District** each assume no fiscal impact to their respective entities from this proposal.

Officials at the **City of Kansas City** assume no fiscal impact from this proposal, except for what is noted in the above sections.

In response to a previous version, officials at the **Callaway County Commission** assumed no fiscal impact 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 - Local Political Subdivisions - employing the services of a municipal advisor when issuing debt (§108.170)</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or 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

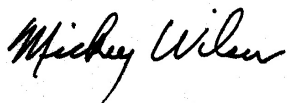
§108.170

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  
    Division of Accounting  
Department of Revenue  
State Tax Commission  
Office of State Auditor  
Department of Public Safety  
    Office of the Director  
Office of the State Treasurer  
Department of Economic Development  
Jackson County Board of Election Commission  
Platte County Board of Election Commission  
St. Louis County Board of Election Commission  
Callaway County Commission  
Johnson County  
St. Louis County  
City of Kansas City  
City of Columbia  
North Kansas City School District  
Kansas City Public Schools  
West Plains School District  
Kirksville R-III School District  
Boone County



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Director  
May 30, 2017

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May 30, 2017