

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0533-02  
Bill No.: HCS for SB 146  
Subject: Counties; Roads and Highways; Taxation and Revenue - General  
Type: Original  
Date: May 2, 2017

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Bill Summary: This proposal modifies provisions related to political subdivisions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<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 5 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 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §67.142

In response to similar legislation from FY 2014 (HCS/HB 1116, LR 4675-02), officials at the **City of Columbia**, the **City of O'Fallon**, the **City of West Plains** and the **City of Jefferson** each assumed no fiscal impact to their respective entities from this proposal.

#### §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 HB 950, officials at the **Department of Public Safety** assumed no fiscal impact 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.

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.

#### Bill as a whole

Officials at the **Missouri Department of Transportation**, the **Office of Administration**, the **Office of the Secretary of State**, the **Office of State Auditor**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Office of the State Treasurer**, the **Department of Agriculture** and the **State Tax Commission** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of Kansas City** assume no fiscal impact from this proposal, except for section 108.170 as noted above.

<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 to Unknown \$0 to Unknown \$0 to Unknown**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

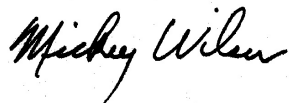
§108.170

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

Missouri Department of Transportation  
Office of Administration  
Office of the Secretary of State  
Office of State Auditor  
Department of Insurance, Financial Institutions and Professional Registration  
Office of the State Treasurer  
Department of Agriculture  
Department of Public Safety  
State Tax Commission  
City of Kansas City  
City of Columbia  
City of O'Fallon  
City of West Plains  
City of Jefferson  
Callaway County Commission  
St. Louis County  
Platte County Board of Election Commission



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May 2, 2017

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