

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0554-04
Bill No.: HCS for SS for SB 124
Subject: Counties; Cities, Towns, Villages; Political Subdivisions
Type: Original
Date: May 2, 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
General Revenue	(Up to \$134,991)	\$0 or Could exceed \$150,815	\$0 or Could exceed \$206,249
Total Estimated Net Effect on General Revenue	(Up to \$134,991)	\$0 or Could exceed \$150,815	\$0 or Could exceed \$206,249

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Highway Fund	\$71,500	\$85,800	\$85,800
Total Estimated Net Effect on <u>Other</u> State Funds	\$71,500	\$85,800	\$85,800

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 19 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	Unknown to (Unknown)	\$0 or Could exceed \$18,390,481	\$0 or Could exceed \$24,511,108

FISCAL ANALYSIS

ASSUMPTION

§1.100

In response to a previous version, officials at the **Office of the State Treasurer** assumed no fiscal impact from this proposal.

In response to a previous version, officials at **St. Louis County**, the **Callaway County Commission** and the **City of Columbia** each assumed no fiscal impact from their respective entities from this proposal.

§§50.1190, 52.290, 137.280, 137.345, 140.100

Officials from the **County Employees' Retirement Fund (CERF)** assume the proposed legislation increases various existing fees that are deposited in the County Employees' Retirement Fund and creates a new fee to be paid into the Fund.

The estimated increase in revenues for FYs 18, 19 and 20 are as follows:

Section 50.1190	\$2,125,000
Section 137.280 & 137.345	\$ 875,000
Section 52.290	\$5,295,000
Section 140.100	<u>\$1,475,000</u>
Total	\$10,139,000

Officials from the **Joint Committee on Public Employee Retirement** assume the legislation indicates that the legislation serves to increase several existing fees and penalties that are used to fund the County Employees' Retirement Fund (CERF).

Current System Status As of January 1, 2016		
Market Value	\$432,504,491	68% (Funded Ratio)
Actuarial Value	\$448,784,038	70% (Funded Ratio)
Liabilities	\$640,399,679	
Current Annual Required Contribution Rate		
Employer (FY16/17)	6.54%	\$25,608,251
Covered Payroll	\$391,801,920	

ASSUMPTION (continued)

In response to similar legislation from this year, HCS for HB 1151, officials from **St. Louis County**, the **Platte County Board of Elections** and the **Jackson County Election Board** each assumed the proposal will have no fiscal impact on their respective organizations.

CERF is not a local political subdivision; therefore, **Oversight** will not reflect a fiscal impact to their organization.

§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.

§67.547

Oversight assumes no fiscal impact from this section of the proposal.

§§94.900, 94.902, 94.903 - ½% Sales Tax increase on certain cities

In response to similar legislation from this year, HCS No. 2 for HB Nos. 48, 69, 495, 589, officials at the **Department of Public Safety's Office of the Director** assumed no fiscal impact from this proposal.

Oversight assumes this proposal is enabling legislation and would have no fiscal impact unless the governing body would request the voters of their city to approve the imposition of a sales tax. Should the voters approve the imposition of a sales tax, the city could expect revenue to be generated and there would be costs for improving the public safety of the city. Oversight assumes the Department of Revenue would collect the sales tax and retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

Oversight notes that sections 94.902.1 and 94.903.1 appear to achieve the same purpose. This analysis assumes that the impacted cities in each section will each levy a 0.5% public safety sales tax.

Oversight assumes the amounts collected would be spent for public safety purposes but will not include those expenditures in this fiscal note.

Oversight notes, according to that bill description, 28 cities would now qualify to put the ½% sales tax for public safety purposes on the ballot. Page 5 of the note lists the cities and the potential sales tax proceeds if the ballot question is approved.

ASSUMPTION (continued)

According to information found on the Tax and Fee Distribution Summary for Cities from the Department of Revenue's Financial and Statistical Report, the following are the local sales tax revenues for FY16, FY15 and FY14. The additional ½ tax rate would yield \$23,994,349 in additional tax revenue.

	<u>Tax Rate</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>3 Year Average</u>	<u>Tax Sales Base</u>	<u>Adding ½ tax rate</u>
Bolivar	2.500%	4,855,996	4,609,123	4,367,389	4,610,836	194,239,840	971,199
Branson	1.500%	17,149,452	16,440,333	15,453,917	16,347,901	1,143,296,800	5,716,484
Carl Junction	2.500%	717,051	708,644	621,382	682,359	28,682,040	143,410
Dexter	1.875%	3,003,459	3,134,157	2,931,613	3,023,076	160,184,480	800,922
Eldon	2.900%	1,887,669	1,955,081	1,902,211	1,914,987	65,092,034	325,460
Eureka	1.000%	2,547,485	2,416,480	2,233,936	2,399,300	254,748,500	1,273,743
Harrisonville	1.875%	4,088,704	3,985,818	3,840,645	3,971,722	218,064,213	1,090,321
Higginsville	2.250%	1,426,309	1,374,066	1,329,781	1,376,719	63,391,511	316,958
Jackson	2.000%	4,413,152	4,364,016	4,087,896	4,288,355	220,657,600	1,103,288
Jennings	1.250%	1,628,854	1,786,042	1,735,602	1,716,833	130,308,320	651,542
Lake St. Louis	2.000%	6,587,036	6,155,522	4,548,428	5,763,662	329,351,800	1,646,759
Lamar	2.000%	1,469,486	1,392,778	1,357,856	1,406,707	73,474,300	367,372
Lebanon	2.000%	7,144,879	6,691,768	6,280,483	6,705,710	357,243,950	1,786,220
Lexington	2.500%	920,148	939,668	847,497	902,438	36,805,920	184,030
Mountain Grove	2.000%	2,000,811	1,982,157	1,786,109	1,923,026	100,040,550	500,203
Mount Vernon	2.000%	1,614,123	1,361,809	1,064,555	1,346,829	80,706,150	403,531
Oak Grove	3.000%	2,216,456	2,118,668	1,998,803	2,111,309	73,881,867	369,409
Pacific	2.000%	1,293,369	1,319,327	1,135,241	1,249,312	64,668,450	323,342
Peculiar	2.500%	1,068,950	1,065,027	973,010	1,035,662	42,758,000	213,790
Platte City	2.375%	2,399,263	2,373,673	2,122,575	2,298,504	101,021,600	505,108
Republic	2.375%	5,604,326	4,998,885	4,435,397	5,012,869	235,971,621	1,179,858
Rock Hill	1.500%	1,167,572	1,060,899	940,831	1,056,434	77,838,133	389,191
St. Clair	3.000%	1,160,572	1,107,268	1,009,203	1,092,348	38,685,733	193,429
Salem	1.875%	1,909,659	1,683,183	1,691,993	1,761,612	101,848,480	509,242
Sullivan	2.500%	3,144,341	3,002,303	2,873,392	3,006,679	125,773,640	628,868
Troy	2.000%	5,172,685	4,870,470	4,377,057	4,806,737	258,634,250	1,293,171
Union	3.000%	3,772,282	3,675,993	3,410,325	3,619,533	125,742,733	628,714
Warrenton	2.750%	2,633,327	2,395,897	2,419,628	2,482,951	95,757,345	<u>478,787</u>
Total		92,997,416	88,969,055	81,776,755	87,914,409	4,798,869,862	23,994,349

ASSUMPTION (continued)

Therefore, **Oversight** will assume \$0 (not approved) or up to \$23,994,349 for a fiscal impact for this proposal. Oversight also assumes a municipal election in April 2018. If the new tax rate for the cities is approved by the majority of voters, the additional tax would begin October 1, 2018 (FY 2019).

Section 94.900.1(1)(b) also adds additional cities that were not reflected in HCS No. 2 for HB Nos. 48, 69, 495 and 589. **Oversight** is unclear on who the cities are at this time and will reflect a \$0 or Could exceed impact to the above calculated total for this proposal.

In response to similar legislation from this year, HCS No. 2 for HB Nos. 48, 69, 495, 589, officials at the **Office of Administration's Division of Budget and Planning (B&P)** assumed using the most recent available data (FY16), the B&P estimates that the affected cities and counties had total taxable sales and use revenues of \$4,434,754,344. All of the proposed taxes in this bill are capped at 0.5%. This means that the taxes included in the bill could yield \$21,952,034 per fiscal year after DOR retains \$221,738.

The earliest possible effective date for any of these taxes is the final quarter of FY18, so the first full fiscal year impact would not occur until FY19. The B&P notes this legislation could also impact other cities and counties.

B&P notes that sections 94.902.1 and 94.903.1 appear to achieve the same purpose. This analysis assumes that the impacted cities in each section will each levy a 0.5% public safety sales tax.

In summary, the B&P will assume the following additional revenues for this proposal:

FY18 - \$55,434
FY19 - \$221,738
FY20 - \$221,738

Oversight assumes a municipal election in April 2018. If the new tax rate for the cities is approved by the majority of voters, the additional tax would begin October 1, 2018 (FY 2019). Therefore, Oversight will assume the following for the general revenue fund:

FY18 - \$0
FY19 - Could exceed \$166,304 (9 months)
FY20 - Could exceed \$221,738

ASSUMPTION (continued)

Officials at the **Department of Revenue (DOR)** assume businesses in multiple cities in Missouri may need to collect and remit an additional sales tax of one-half of one percent for public safety issues in the city. If sales taxes are enacted, the integrated tax system incurs additional costs of \$98,280 to implement the provisions of this legislation.

Oversight will show costs to update the integrated tax system of up to \$98,280 in FY 2018.

§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 **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.

In response to similar legislation from this year, HCS for SB 95, officials at the **Office of Administration** 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.

§173.260 Public Safety Officer Survivor Grant Program

Oversight notes this proposal would add air ambulance pilots, nurses and respiratory therapists as well as emergency medical technicians and uniformed employees of the State Fire Marshall to the definition of Public Safety Officer for the Public Safety Officer and Employee's Child Survivor Grant Program. This would allow family members of these people to receive the Survivor grant. The Survivor Grant Program provides educational grants to the children or spouses of certain public employees killed or permanently and totally disabled in the line of duty. The current average award is \$4,867.

ASSUMPTION (continued)

In response to similar legislation from 2016, HCS for HB 1964, officials at the **Department of Higher Education (DHE)** assumed that in the last fifteen years there have been 11 emergency medical technicians and four air ambulance personnel killed in the line of duty. Based on this data and the current distribution of recipients, DHE estimates this change will result in the payment of three additional individuals during the period of the fiscal impact statement. The FY 2015 average award under this program was \$4,867. Inflating that number at three percent per year, the average award for FY 2017 would be \$5,163. The total needed to pay three additional recipients would be \$15,489. Those numbers are inflated by three percent for FY 2018 and FY 2019.

§§190.103, 190.142, 190.144, 190.165

In response to similar legislation from this year, HCS for HB 1044, officials at the **Department of Revenue** and the **Department of Public Safety's State Emergency Management Agency** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation from this year, HCS for HB 1044, officials at **St. Louis County** assumed no fiscal impact from this proposal.

In response to similar legislation from this year, HB 226, officials from the **DeSoto Rural Fire Protection District** assumed no fiscal impact from this proposal.

§287.243 Line of Duty Compensation

Oversight notes this provision would allow a spouse, child or personal representative of any person killed in the line of duty on or after June 19, 2009, to claim the \$25,000 line of duty compensation if they did not claim it previously.

Officials at the **Department of Labor and Industrial Relations** assume under subsection 7 it states:

“Effective August 28, 2016, the spouse, child, or personal representative of any person who was killed in the line of duty on or **after** June 19, 2009, who would have been eligible to receive benefits under the provisions of this section, shall be eligible to a claim for compensation under this section.”

In HCS for HB 1964 from 2016, the language stated "before June 19, 2009." This version states "after June 19, 2009."

Since it still allows retroactive claims, the fiscal impact would not change from last year's version. The funds are transferred from GR, only when a claim is approved. Over the last five years, an average of 5 claims were made annually, each at \$25,000. There is no way to know how many

ASSUMPTION (continued)

claims would be filed. Our current appropriation is \$450,000, or enough to cover 18 claims in a fiscal year. Any additional claims could probably be absorbed with the existing appropriation; if there were more claims than available resources, DOLIR would pursue additional appropriations to process those payments.

Oversight would assume the current \$450,000 funding would be enough to cover these missed claims, if any.

§§301.010, 301.062

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

§301.010

Modifies the definition of a "Local Log Truck" and a "Local Log Truck Tractor."

§301.062

Provides that a local log truck may receive an extended distance local log truck permit for an additional fee of two hundred dollars. A local log truck with an extended distance local log truck permit shall be allowed to transport harvested or processed forest products outside of the one-hundred-mile radius.

It is assumed the extended distance local log truck permit will be optional within TRIPS (Title and Registration Intranet Processing System) to all local log truck registrations and the permit will expire December 31 of the issuance year. Each applicant may obtain the permit at any time throughout the year and the fee will not be prorated.

It is assumed the permit will be a print-out produced from TRIPS when the \$200 fee is paid and the permit will list pertinent information to the applicant and vehicle. Once the \$200 fee is paid the permit will be provided to the applicant to keep in the vehicle. The permit will not be transferable and will only be valid for the applicant and vehicle it was issued to.

OA-ITSD services will be required at a cost of \$21,222 (282.96 hours x \$75 per hour) in FY 2018.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal.

DOR notes the fee collected for the issuance of an extended distance local log truck permit would be a new fee and will be distributed to the Highway Fund, Cities, and Counties.

ASSUMPTION (continued)

Currently, there are 762 local log trucks registered in the state of Missouri. The Department is assuming 75% (572) of those currently registered will obtain the \$200 permit annually resulting in an increase of \$95,333 FY 2018 (10 months) and \$114,400 in FY 2019 and FY 2020.

	<u>FY 2018 (10 Months)</u>	<u>FY 2019</u>	<u>FY 2020</u>
Amount to distribute	\$95,333	\$114,400	\$114,400
75% Highway Fund	\$71,500	\$85,800	\$85,800
15% Cities	\$14,300	\$17,160	\$17,160
10% Counties	\$9,533	\$11,440	\$11,440

§§321.242, 321.246 - Additional Sales Tax for Ripley County Rural Fire Protection District

In response to similar legislation from the 2017 session, HB 69, officials from **Ripley County** advised us there was not currently an organized Rural Fire Protection District in Ripley County.

In response to similar legislation from this year, HCS No. 2 for HB Nos. 48, 69, 495, 589, officials from the **University of Missouri - Economic and Policy Analysis Research Center (EPARC)** provided the following information.

This proposal would authorize the Ripley County Rural Fire Protection District to submit a proposal for a sales tax to the voters for up to one-half of one percent.

The Ripley County sales tax base has averaged \$98,130,757 over the last three years. Should a new one-half percent sales tax be implemented throughout Ripley County causing the after-tax price for all goods to increase by one-half percent, we estimate an approximate one-half percent decline in the demand for all goods reducing the tax base to \$97,642,544.

EPARC officials assumed the sales tax on this base would yield new collections of \$488,213; \$483,331 for Ripley County for a rural fire protection district and \$4,882 to General Revenue for the state collection fee of 1%.

EPARC officials assume a reduction in the sales tax base by approximately ½ % would reduce all other sales tax collections within Ripley County by approximately ½ %, an aggregate reduction of \$12,710 of which \$254 represents the decrease in the 2% General Revenue Collection Fee. The reduction in the Ripley County sales tax base would reduce the 3% General Revenue Sales Tax collection from \$2,943,923 to \$2,929,276, a reduction of \$14,646.

ASSUMPTION (continued)

Oversight will not include any potential secondary impacts from this proposal in this fiscal note.

Oversight reviewed information available from Department of Revenue reports and noted that sales tax collections for Ripley County for the years ended June 30, 2014, 2015, and 2016 were \$1,386,463, \$1,542,970, and \$1,463,995, respectively. Therefore, average annual collections would be $((\$1,386,463 + \$1,542,970 + \$1,463,995) = \$4,393,428 / 3) = \$1,464,476$ with a tax rate of 1.5%.

Oversight assumes a one-half percent sales tax rate would generate $(\$1,464,476/3) = \$488,159$ if the proposition is approved by the voters and will include an impact of \$0 or that amount for fiscal note purposes. Oversight assumes a municipal election in April 2018. If the new tax rate for the cities is approved by the majority of voters, the additional tax would begin October 1, 2018 (FY 2019). Therefore, Oversight will assume the following:

FY18 - \$0
FY19 - \$366,119 (9 months)
FY20 - \$488,159

Oversight assumes the amounts collected for a Fire Protection District would be spent for fire safety purposes but will not include those expenditures in this fiscal note. For simplicity, Oversight will not include the 1% withholding for Department of Revenue collection costs in this fiscal note.

\$451,090

In response to similar legislation from this year, HCS for HB 270, officials at the **Department of Social Services** assumed no fiscal impact from this proposal.

In response to similar legislation from this year, HCS for HB 270, officials at **St. Louis County** and the **Callaway County Commission** each assumed no fiscal impact to their respective entities from this proposal.

In response to similar legislation from this year, HCS for HB 270, officials at the **Mississippi County Recorder of Deeds Office** assumed a minor fiscal impact from this proposal.

In response to similar legislation from this year, HCS for HB 270, officials at the **St. Charles County Recorder of Deeds Office** assumed no fiscal impact from this proposal.

Oversight inquired the Department of Health and Senior Services (DHSS) on information regarding minimum ages receiving marriage licenses. The information below is the data DHSS provided broken out by age of the bride and groom for the last 3 years. The 2016 calendar year data is provisional and may not contain all of the marriage license data for that year.

ASSUMPTION (continued)

Age of Bride

	<u>14 and Under</u>	<u>15</u>	<u>16</u>
2014	0	23	37
2015	0	16	36
2016	0	21	22

Age of Groom

	<u>14 and Under</u>	<u>15</u>	<u>16</u>
2014	0	3	10
2015	0	0	6
2016	0	1	4

§§479.020, 479.353, 479.354

Oversight assumes this proposal changes and creates provisions relating to minor traffic violations in municipal court. Oversight assumes the court may order a credit for time served for individuals who were previously assessed a fine if the individual was held in custody for a minor traffic violation. Oversight assumes this will be at the discretion of the court and will have minimal impact on this proposal. Therefore Oversight will reflect a \$0 impact for this proposal.

Bill as a whole

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Officials at the **Office of the State Courts Administrator**, the **Missouri Department of Transportation**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Agriculture**, the **Department of Mental Health**, the **Office of State Auditor**, the **Joint Committee on Administrative Rules**, the **Office of Administration's Administrative Hearing Commission** and the **Division of General Services**, the **Department of Natural Resources**, the **Department of Public Safety's Missouri Highway Patrol** and **Division of Fire Safety**, the **Department of Health and Senior Services**, the **Office of the State Public Defender** and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of Kansas City** assume no fiscal impact, except for section 108.170 which is noted in the proposal.

Officials at the **Springfield Police Department**, the **St. Louis County Department of Justice Services** and the **Columbia/Boone County Department of Public Health and Human Services** each assume no fiscal impact to their respective entities from this proposal.

Oversight notes that two parts of this proposal (sections 94.900 through 94.903 and section 301.060) would require the DOR to update its Integrated tax system. Combined cost for the separate parts of the proposal is \$119,502. Since one provision involved sales tax changes, Oversight assumes cost to modify the system will be less than the combined costs and will show costs of "up to \$119,502".

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Additional Revenue</u> - DOR - Collection charges on sales tax (§§94.900, 94.902, 94.903)	\$0	\$0 or Could exceed \$166,304	\$0 or Could exceed \$221,738
<u>Cost</u> - DOR - Updates to Integrated Tax System (§§94.900, 94.902, 94.903)	(Up to \$119,502)	\$0	\$0
<u>Cost</u> - DHE - expanding the Public Safety Officer Grant Program to include Air Ambulance Personnel, Emergency Medical Technicians, & State Fire Marshall employees (§173.260)	(\$15,489)	(\$15,489)	(\$15,489)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(Up to \$134,991)	\$0 or Could exceed \$150,815	\$0 or Could exceed \$206,249
HIGHWAY FUND			
<u>Revenue</u> - 75% - new fee extended distance local log truck permit (§§301.010, 301.062)	<u>\$71,500</u>	<u>\$85,800</u>	<u>\$85,800</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>\$71,500</u>	<u>\$85,800</u>	<u>\$85,800</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> - Increase in various existing fees and a creation of a new fee (§§50.1190, 52.290, 137.280, 137.345, 140.100)	\$5,069,500	\$10,139,000	\$10,139,000
<u>Additional Revenue</u> - Ripley County Fire Protection District (§§321.242, 321.246)	\$0	\$0 or \$366,119	\$0 or \$488,159
<u>Revenue</u> - from additional sales tax increase (§§94.900, 94.902, 94.903)	\$0	\$0 or Could exceed \$17,995,762	\$0 or Could exceed \$23,994,349
<u>Revenue</u> - Cities - 15% - new fee for extended distance local log truck permit (§§301.010, 301.062)	\$14,300	\$17,160	\$17,160
<u>Revenue</u> - Counties - 10% - new fee for extended distance local log truck permit (§§301.010, 301.062)	\$9,533	\$11,440	\$11,440
<u>Savings</u> - LPS - employing the services of a municipal advisor when issuing debt (§108.170)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> - transfer to CERF (§§50.1190, 52.290, 137.280, 137.345, 140.100)	(\$5,069,500)	(\$10,139,000)	(\$10,139,000)
<u>Loss</u> - Collectors & Clerks - of recording delinquent land list monies (§§50.1190, 52.290, 137.280, 137.345, 140.100)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown to (Unknown)</u>	<u>\$0 or Could exceed \$18,390,481</u>	<u>\$0 or Could exceed \$24,511,108</u>

FISCAL IMPACT - Small Business

There could be a direct fiscal impact to small businesses as a result of this proposal. Businesses operating a local log truck will have the option to pay \$300 to obtain an extended distance permit to operate outside of the 100 mile radius.

FISCAL DESCRIPTION

§§50.1190, 52.290, 137.280, 137.345, 140.100

This bill modifies the fees deposited in the county employees' retirement fund (CERF) for funding the plan. The recorder of deeds fee on documents recorded or filed is increased from \$6 to \$9; a fee on delinquent and back dated taxes is increased from 7% to 9%; the penalty for failing to return personal property assessment lists is increased by \$5; Merchant's license fee is increased from \$25 to \$30 with \$25 going to CERF; and the amount the county collector and clerk receive per tract of land recorded as delinquent on taxes is increased from \$.10 to \$4 with such sum going to CERF. These provisions have an effective date of January 1, 2018.

§§94.900, 94.902, 94.903

This bill adds certain cities to the list of cities authorized to impose, upon voter approval, a retail sales tax of up to 0.5% for improving public safety including compensation, pension programs, health care, and additional equipment and facilities for police, fire, and emergency medical providers (Sections 94.900, 94.902, and 94.903, RSMo).

The additional cities include Peculiar, Lamar, Salem, St. Clair, Higginsville, Lexington, Mount Vernon, Eldon, Platte City, Rock Hill, and Mountain Grove, (Section 94.900.1(1)(b)); Jackson, Republic, and Lake St. Louis, (Section 94.900.1(1)(f)); Carl Junction, Sullivan, Pacific, Oak Grove, Dexter, and Warrenton, (Section 94.900.1(1)(g)); and Eureka, Harrisonville, Union, Bolivar, Branson, and Troy (Section 94.902.1(6))

In certain of the additional cities, the sales tax will expire in 10 years unless approved again by the voters, and if the sales tax fails on the first ballot, the cities cannot put the issue on the ballot again without new statutory authorization. The cities to which the 10 year duration and the one-time vote opportunity applies include Peculiar, Lamar, Salem, St. Clair, Higginsville, Lexington, Mount Vernon, Eldon, Platte City, Rock Hill, and Mountain Grove (Section 94.900.1(1)(b)).

In certain of the additional cities, regardless of when the tax is imposed, it will expire on December 31, 2038. The specific tax expiration date provision currently applies to the cities of Eureka, Harrisonville, Union, Bolivar, Branson, and Troy.

In certain of the additional cities, the sales tax will expire in 15 years, and then every 10 years thereafter, unless approved again by the voters. If the sales tax fails on the first ballot, those cities cannot put the issue on the ballot again for at least 12 months. If the sales tax fails on a second ballot, then the authorization for the sales tax for those cities is repealed. Currently, this provision

FISCAL DESCRIPTION (continued)

only applies to the cities of Branson, Eureka, Harrisonville, Union, Bolivar, and Troy (Section 94.903).

§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.

§173.260 Public Safety Officer Survivor Grant Program

This bill adds several professions, including air ambulance pilots, air ambulance registered professional nurses, air ambulance registered respiratory therapists, uniformed employees of the Office of the State Fire Marshal, and their children and spouses, and specified emergency medical technicians and their children and spouses to the list of those eligible to receive a public safety officer or employee survivor grant from the Coordinating Board for Higher Education within the Department of Higher Education.

This bill also adds a uniformed employee of the Office of the State Fire Marshal and his or her child and spouse, and specified emergency medical technicians and their children and spouses to the list of those eligible to receive unpaid workers' compensation claims when the employee is killed in the line of duty.

§§301.010, 301.062

This bill allows a local log truck to obtain an extended distance local log truck permit for an additional \$300. This permit allows the truck to transport harvested and processed forest products outside the 100-mile radius at weight limits specified for commercial vehicles.

§§321.242, 321.246

The bill also adds certain fire protection districts to the list of fire protection districts authorized to impose, upon voter approval, a sales tax not to exceed 0.5% for the purpose of providing revenues for the operation of the fire protection district. The additional fire protection districts currently include those located in Ripley and Mississippi counties (Section 321.246).

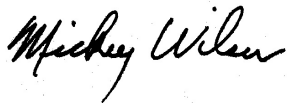
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Office of the State Treasurer
Office of State Auditor
Joint Committee on Public Retirement
County Employees' Retirement Fund
Department of Agriculture
Missouri Department of Transportation
Department of Public Safety
 Office of the Director
 State Emergency Management Agency
 Office of the State Fire Marshall
 Missouri Highway Patrol
 Division of Fire Safety
Department of Revenue
Joint Committee on Administrative Rules
Office of Administration
 Division of Budget and Planning
 Administrative Hearing Commission
 General Services Division
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Mental Health
Department of Higher Education
Department of Labor and Industrial Relations
Department of Social Services
Office of the State Courts Administrator
University of Missouri
 Economic & Policy Analysis Research Center
Mississippi County Recorder of Deeds
St. Charles County Recorder of Deeds
Ripley County
University of Missouri
 Economic and Policy Analysis Research Center
Platte County Board of Elections
Jackson County Election Board
St. Louis County
Callaway County Commission
City of Columbia
City of Kansas City
City of O'fallon
City of West Plains
City of Jefferson
Springfield Police Department

SOURCES OF INFORMATION (continued)

St. Louis County Department of Justice Services
Columbia/Boone County Department of Public Health and Human Services
DeSoto Rural Fire Protection District



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