

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2314-01  
Bill No.: SB 520  
Subject: Cities, Towns, and Villages; St. Louis County; Taxation and Revenue - General;  
Courts; Civil and Criminal Procedure  
Type: Original  
Date: March 30, 2017

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Bill Summary: This proposal modifies provisions regarding the revenue collected from certain municipal ordinance violations and municipal court procedure.

**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>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **City of Kansas City** assume this legislation in §479.353 may have a positive fiscal impact on the City, of an indeterminate amount, because of the increased range of fines. This proposal in §§479.350 and 479.353 may have a positive fiscal impact on the City in an annual increase in revenue of \$600,000 to \$800,000 because of the raising of the maximum fine limits.

This legislation in §§479.350(3) and 479.353(1)(a) may have a negative fiscal impact on the City of an indeterminate amount because of limitation on fine amounts for minor traffic violations and amendments to minor traffic violations. Finally, this proposal may have a positive fiscal impact on the City in an increase in annual revenue of \$418,000 because of the raising of fines for driving without insurance.

Officials at the **Department of Revenue** assumes no fiscal impact from this proposal. This legislation repeals the provision that lowers the percentage of general operating revenue from fines, bond forfeitures, and court costs for minor traffic violations from 30% to 20% and from 30% to 12 ½% in St. Louis City. This lowers the amount of revenue received by the state from counties, cities, towns, or villages. This, in turn, reduces the amount of monies distributed annually, to the schools in the county.

Officials at the **Office of the State Courts Administrator** and the **Office of State Auditor** each assume no fiscal impact to their respective agencies from this proposal.

**Oversight** inquired with officials at the Department of Revenue regarding the number of payments that have been redirected from local political subdivisions to schools for traffic fines; the annual totals were:

Year	Amount
2011	\$ 19,205
2012	\$ 107
2013	\$ 0
2014	\$ 5,000
2015	\$390,741

ASSUMPTION (continued)

Oversight assumes that there are numerous local political subdivisions that could potentially not realize more than 30% of their annual general operating revenues due to this legislation removing municipal ordinance violations from the annual general operating revenues calculations. This could result in decreased revenues to schools and increased revenues to local political subdivisions. Oversight also recognizes there are numerous local political subdivisions that could be affected from the increases to maximum fine amounts. Therefore, Oversight assumes a direct fiscal impact to local political subdivisions of a positive unknown and a loss in revenues to school districts 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
<b>LOCAL POLITICAL SUBDIVISIONS</b>			

<u>Revenues</u> - Local Political Subdivisions - excluding municipal ordinance violation from general operating revenue calculation limits	Unknown	Unknown	Unknown
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<u>Revenues</u> - Local Political Subdivisions - increases to maximum fine amounts	Unknown	Unknown	Unknown
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<u>Loss</u> - School Districts - in revenue from a decrease in excess annual general operating revenues received	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>	<u><b>Unknown</b></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 act modifies various provisions relating to revenues collected in minor traffic and municipal ordinance violations and municipal court procedure in such cases. This act modifies the definition of the terms "annual general operating revenue" and "minor traffic violation" as applied in provisions regarding the assessment of fines in minor traffic violation and municipal ordinance violation cases. "Annual general operating revenue" now includes, rather than excludes, designated sales or use taxes, restricted user fees, grant funds, funds expended for technological assistance and other revenue designated for a specific purpose. The term "minor traffic violation" now excludes, rather than includes, amended charges.

A court shall not assess a fine and court costs in excess of \$500, rather than \$225, in minor traffic violations. For municipal ordinance violations committed within a 12 month period, a court shall not assess a fine and court costs in excess of \$300 for second offense ordinance violations, rather than \$275, \$400 for third offense ordinance violations, rather than \$350, and \$500 for fourth and subsequent ordinance violations, rather than \$450.

The act repeals certain exemptions from paying court costs in minor traffic violations and municipal ordinance violations for defendants who are indigent.

Currently, not more than thirty percent of a municipality's annual general operating revenue can come from certain fines, penalties, and forfeitures. The act repeals court costs for municipal ordinance violations from the being included in the thirty percent calculation. This act also removes a provision specifying that beginning January 1, 2016, the thirty percent limitation on municipal income shall be reduced to twenty percent except in St. Louis county, where it shall be reduced to twelve and one half percent.

Current law requires counties and towns with a municipal court to file with the State Auditor a report demonstrating compliance with certain municipal court procedures. This act repeals the requirement that the court establish procedures to allow indigent defendants to present evidence of their financial condition. The act also repeals the municipal court requirements that community service alternatives are to be offered at no cost to the defendant, and that no additional charge shall be issued for the failure to appear for a minor traffic violation.

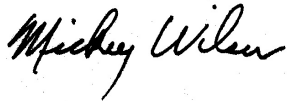
Finally, the act repeals provisions which provide procedures to dissolve a municipal government when it fails to remit the revenue collected from certain fines, penalties, and forfeitures in excess of twenty percent to the Department of Revenue.

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

Department of Revenue  
Office of the State Courts Administrator  
Office of State Auditor  
City of Kansas City

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 30, 2017

Ross Strobe  
Assistant Director  
March 30, 2017