

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4029-01  
Bill No.: SB 692  
Subject: Cities, Towns and Villages; St. Louis County; Taxation and Revenue - General;  
 Courts; Civil Procedure  
Type: Original  
Date: January 5, 2018

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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 2019    | FY 2020    | FY 2021    |
|  |            |            |            |
| <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 2019    | FY 2020    | FY 2021    |
|   |            |            |            |
| <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 7 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2019</b> | <b>FY 2020</b> | <b>FY 2021</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 2019</b> | <b>FY 2020</b> | <b>FY 2021</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 2019</b> | <b>FY 2020</b> | <b>FY 2021</b> |
| <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 will have a significant positive fiscal impact on the City in an indeterminate amount.

Officials at the **Office of State Auditor** assume no fiscal impact from this proposal. Any impacts may be absorbed through current appropriations.

Officials at the **Office of the State Courts Administrator** assume there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

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

Officials at **Boone County** and the **City of O'Fallon** each assume no fiscal impact to their respective entities 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:

| FY   | Amount    |
|------|-----------|
| 2011 | \$ 19,205 |
| 2012 | \$ 107    |
| 2013 | \$ 0      |
| 2014 | \$ 5,000  |
| 2015 | \$390,741 |
| 2016 | \$ 64,151 |
| 2017 | \$144,560 |

**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.

ASSUMPTION (continued)

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cole, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Wayne, and Worth did not respond to **Oversight's** request for fiscal impact.

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark City, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles City Administrator, St. Louis City Budget Division, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

| <u>FISCAL IMPACT - State Government</u> | FY 2019<br>(10 Mo.) | FY 2020    | FY 2021    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u>  | FY 2019<br>(10 Mo.)   | FY 2020               | FY 2021               |
|--|-----------------------|-----------------------|-----------------------|
| <b>LOCAL POLITICAL SUBDIVISIONS</b>  |                       |                       |                       |
| <u>Revenues</u> - Local Political Subdivisions - excluding municipal ordinance violation from general operating revenue calculation limits | Unknown               | Unknown               | Unknown               |
| <u>Revenues</u> - Local Political Subdivisions - increases to maximum fine amounts and removes indigent exemptions                         | Unknown               | Unknown               | Unknown               |
| <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>      |
| <b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>  | <b><u>Unknown</u></b> | <b><u>Unknown</u></b> | <b><u>Unknown</u></b> |

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 multiple 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.

FISCAL DESCRIPTION (continued)

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 twenty percent of a municipality's annual general operating revenue can come from certain fines, penalties, and forfeitures. The act repeals court costs and amended charges for municipal ordinance violations from being included in the twenty percent calculation. This act also removes a provision specifying that beginning January 1, 2016, the previous 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 establish 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.

L.R. No. 4029-01  
Bill No. SB 692  
Page 7 of 7  
January 5, 2018

SOURCES OF INFORMATION

City of Kansas City  
Department of Revenue  
Office of State Auditor  
Office of the State Courts Administrator  
Boone County  
City of O'Fallon

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director  
January 5, 2018