

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5590-02
Bill No.: SB 940
Subject: County Government; Elections; Political Subdivisions; Roads and Highways;
 Transportation
Type: Original
Date: February 2, 2018

Bill Summary: This proposal requires ballot questions abolishing township forms of county government to include a provision for road and bridge funding.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| 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 2019 | FY 2020 | FY 2021 |
| Local Government | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |

FISCAL ANALYSIS

ASSUMPTION

Officials at **Dade County** assume at the time the County was a township form of government, the County generated approximately \$500,000 in road tax per tax collecting year. Each township had their own distinct levy which lead to the approximate amount. Now that the County is not a township form of government, the County is allowed by statute to collect the lowest township tax that was in place prior to the abolishment, or \$.22. This generated approximately \$250,000 per year. In the upcoming General Municipal Election, April 3, 2018, the County will be asking for a \$.50. That proposed amount will generate approximately \$588,000 per year.

Officials at **Stoddard County** assume a negative unknown fiscal impact. There are 7 townships in the County.

Officials at **Linn County** assume this legislation would not have a fiscal impact, as long as, the new tax collected is equal to what the township was receiving before abolishment.

Oversight assumes that with the removal of subsection 65.620.4 could allow the county to immediately set a rate on the ballot that would allow the county to collect an amount which is equal to the current amount being collected by the townships for road and bridge funding. Under current law the affected county's tax rate is, for a year, the lowest tax rate charged by any of the former townships within the county. This removal also allows the question to be answered at the time it is put on the ballot, instead of waiting an extra amount of time, even up to a calendar year, to set the rate. Oversight assumes this could prevent a decrease in road and bridge funding for counties which would abolish townships compared tor current statute. Oversight assumes the language in this proposal could avert losses of road and bridge funds by counties which abolish the township form of government. Therefore, Oversight will reflect a \$0 (if no abolition of townships or the county does not choose to have an election to set tax rates) or a positive unknown (if there is an abolition of townships and the county government has a successful election to set a countywide property tax rate for roads and bridges) for this proposal.

Officials at the **Office of State Auditor**, the **Office of the Secretary of State** and the **State Tax Commission** each assume no fiscal impact to their respective agencies from this proposal.

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

| <u>FISCAL IMPACT - Local Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|---|------------------------------|------------------------------|------------------------------|
| COUNTY FUNDS | | | |
| <u>Savings</u> - on road and bridge funding in counties with townships who abolish their government | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> |
| ESTIMATED NET EFFECT ON COUNTY FUNDS | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act specifies that ballot questions to abolish the township form of government in a county shall also provide for a countywide tax for road and bridge purposes.

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

Dade County
Stoddard County
Linn County
Office of State Auditor
Office of the Secretary of State
State Tax Commission

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope".

Acting Director
February 2, 2018