

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6442-01
Bill No.: SB 1012
Subject: Administrative Law; Counties; County Government; Emergencies
Type: Original
Date: April 30, 2018

Bill Summary: This proposal modifies provisions relating to emergency service boards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	\$0	\$0 or Up to \$21,079	\$0 or Up to \$28,105
Total Estimated Net Effect on General Revenue	\$0	\$0 or Up to \$21,079	\$0 or Up to \$28,105

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	\$0 or Up to \$2,086,803	\$0 or Up to \$2,782,405

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Mount Vernon** assume that if enacted this legislation could relieve the city of the cost we are now paying to the City of Monett for Police, City Fire and Rural Fire Dispatching services. We are currently paying \$55,164 that amount will go up to approximately \$126,000 in May of 2019 when our contract is up with the City of Monett. If the county does not enact some kind of funding mechanism for the 911 system, that amount could continue to escalate over the next few years. The 911 funding the county receives is not adequate to support a county wide 911 system. A sales tax of 1% would generate roughly 1.2 million dollars in Mount Vernon based on the City's 1% General Revenue Sales Tax which would sufficiently pay the City's portion of a County 911 system.

Oversight assumes this proposal would give the County of Lawrence, which includes the City of Mount Vernon, the option to vote to increase their local sales tax by up to 1% in order to fund emergency services. Oversight notes the effective date of this proposal would be August 28, 2018. Oversight assumes the question would be put before the voters at the general municipal election in April 2019 (FY 2019). Therefore, the earliest the sales tax could become effective would be the first day of the second calendar quarter after the Department of Revenue is notified of voter approval. In this case, the earliest effective date assuming voter approval at the April 2019 general municipal election would be October 1, 2019 (FY 2020). Therefore, only nine months of taxes would be collected in FY 2020.

	Sales Tax <u>2017 (6 mos)</u>	Sales Tax <u>2016</u>	Sales Tax <u>2015</u>	3 yr. avg. Sales Tax <u>Base</u>	Additional <u>1% Rate</u>	DOR 1% <u>Collection</u>
Lawrence County	139,930,757	284,620,644	278,076,209	281,051,044	2,810,510	28,105
Mount Vernon	41,488,698	83,863,188	76,867,914	80,887,920	808,879	8,089

*Source: MO Department of Revenue Taxable Sales (Sales & Use Taxes) Report

Oversight notes that if the proposal is adopted, DOR would be allowed to keep 1% of the amount of sales tax collected to cover their expenses. Oversight notes that DOR would retain up to \$28,105. Oversight will show the fee as \$0 (no sales tax increase is adopted by voters) or up to the amount listed for Lawrence County.

For fiscal note purposes, **Oversight** will indicate a range of additional county revenue from \$0 (the sales tax is not adopted by the voters of Lawrence County) or up to \$2,810,510 for a full year of tax collections.

ASSUMPTION (continued)

Officials at the **Department of Health and Senior Services**, the **Department of Public Safety's Office of the Director** and the **Department of Revenue** each assume no fiscal impact to their respective agencies from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2019	FY 2020 (9 Mos)	FY 2021
GENERAL REVENUE			
<u>Additional Revenue</u> - DOR - 1% collection charges	\$0	\$0 or Up to <u>\$21,079</u>	\$0 or Up to <u>\$28,105</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 or Up to \$21,079</u>	<u>\$0 or Up to \$28,105</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019	FY 2020 (9 Mos)	FY 2021
LAWRENCE COUNTY FUNDS			
<u>Additional Revenue</u> - sales tax increase up to 1% to fund emergency services	\$0	\$0 or Up to \$2,107,882	\$0 or Up to \$2,810,510
<u>Loss</u> - 1% Collection Fee kept by DOR	\$0	\$0 or (Up to <u>21,079</u>)	\$0 or (Up to <u>28,105</u>)
ESTIMATED NET EFFECT ON LAWRENCE COUNTY FUNDS	<u>\$0</u>	<u>\$0 or Up to \$2,086,803</u>	<u>\$0 or Up to \$2,782,405</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 provides that Lawrence County's emergency service board is not to be considered a body corporate and a political subdivision of the state for any purpose unless the county commissioners unanimously adopt an order reclassifying the board as such.

FISCAL DESCRIPTION (continued)

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

City of Mount Vernon
Department of Health and Senior Services
Department of Public Safety
 Office of the Director
Department of Revenue

Ross Strobe



Acting Director
April 30, 2018