

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1139-06  
Bill No.: SB 291  
Subject: Cities, Towns and Villages; Counties; County Government; Emergencies;  
 Department of Revenue; Taxation and Revenue - General; Taxation and Revenue  
 - Sales and Use; Telecommunications  
Type: Original  
Date: February 11, 2019

Bill Summary: This proposal modifies provisions relating to emergency communication services.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<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 2020	FY 2021	FY 2022
<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>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this has no direct fiscal impact on B&P, has no direct impact on General and Total State Revenue nor does it impact the calculation pursuant to Article X, Section 18(e).

Officials at the **Department of Revenue (DOR)** believe this proposed legislation is clarifying language for SS SCS HCS HB 1456 that was TAFP 2018. All administrative impacts were included in the fiscal note response for HB 1456 (2018).

Section 190.460 states that beginning January 1, 2019, a three percent service charge on prepaid wireless emergency telephone retail transactions is imposed. However, a seller may elect to not apply such service charge on a sale of less than fifteen dollars. This section changes the minimal requirement amounts from fifteen dollars to five dollars, or a sale of ten minutes or less. This section also states that the first fifteen dollars of a retail sale shall not be subject to the service charge.

The Department assumes this proposed legislation will have no administrative impact, but notes due to phones now being included in Section 190.460, the overall impact will be higher than HB 1456. Due to the lack of data available, the Department is unable to establish a fiscal impact.

Officials at the **St. Francois County Assessor Office** has no information to determine a fiscal impact.

Officials at the **Boone County Sheriff, City of Kansas City, City of Columbia, Springfield Police Department, St. Louis County Department of Justice Services and Monroe County** each assume there is no fiscal impact from this proposal.

**Oversight** assumes some changes in the proposal could decrease revenues collected for 911 services, and at least one change (as noted by DOR above) could increase taxes collected for 911 services. Oversight does not have information to produce an estimate, so will reflect an unknown impact to political subdivisions.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - Changes to §190.460.2	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> - various changes including 190.292.13, 190.335.13, 190.335.15	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO POLITICAL SUBDIVISIONS</b>	<b>Unknown to <u>(Unknown)</u></b>	<b>Unknown to <u>(Unknown)</u></b>	<b>Unknown to <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 provisions relating to emergency communication services.

Current law prohibits any county that has a county sales tax for the central dispatch of emergency services that is automatically reduced in future years from submitting for voter approval any proposal greater than the reduced amount. Under this act, Cass County is exempt from this prohibition.

The act adds language that the prepaid wireless emergency telephone service charge on retail transactions applies to items that provide prepaid wireless telecommunications services.

The prepaid wireless telecommunications service charge shall not apply to the first \$15 of a retail transaction for prepaid wireless telecommunications service.

When prepaid wireless telecommunications service is sold with one or more products or services for a single, non-itemized price, the service charge shall apply to the entire non-itemized price unless the seller elects to apply such service charge as allowed in the act.

FISCAL DESCRIPTION (continued)

The Director of the Department of Revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the service charge, and the Director shall collect all services charges imposed by the act. Such service charges shall be collected and reported with all taxes imposed under the sales tax law of the state.

The act states that the initial percentage rate of the prepaid wireless emergency telephone service charges deposited in the Missouri 911 Service Trust Fund as set by the Missouri 911 Service Board for counties and the city of St. Louis may be adjusted annually for the first 3 years, and thereafter the rate may be adjusted every 3 years. Current law states that the rate may be adjusted every two years. Such rate shall be set by June 30th of each applicable year.

Any county or city which by at least a 2/3 vote of their governing body prohibited the prepaid wireless emergency telephone service charge at least 45 days prior to August 28, 2018, may take a vote, and notify the Department of Revenue of the result of such vote, by November 15, 2019, to impose such charge on January 1, 2020. A 2/3 majority vote is required to impose such charge. If a county has a county sales tax for the central dispatch of emergency services, and has an elected emergency services board, such board shall be the governing body that takes the vote. The Department shall notify the Missouri 911 Service Board of these changes by December 1, 2019.

Currently, certain provisions of law relating to the prepaid wireless emergency telephone service charge expire on January 1, 2023. This act instead states that the prepaid wireless emergency telephone service charge shall expire on January 1, 2024.

Finally, the act modifies the rulemaking authority of the Missouri 911 Service Board.

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

Boone County Sheriff  
City of Kansas City  
City of Columbia  
Department of Revenue  
Monroe County  
Office of Administration Division of Budget and Planning  
St. Francois County Assessor Office  
Springfield Police Department  
St. Louis County Department of Justice Services



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February 11, 2019

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