

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2300-06
Bill No.: HCS for SB 468
Subject: Political Subdivisions; Public Safety, Department of Taxation and Revenue -
General; Law Enforcement Officers and Agencies
Type: Original
Date: May 8, 2019

Bill Summary: This proposal changes the law regarding political subdivisions, historic preservation, the Holocaust Education and Awareness Commission Act, notaries public, property tax assessments, public bodies contracting with Israel, qualifications of certain state and local public officials, retirement plans for state and local officers and employees, and the sunshine law.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|------------------------------------------------------|------------------------------------------|------------------------------------------|--------------------------------------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| General Revenue | (Unknown, could exceed \$121,488) | (Unknown, could exceed \$102,288) | (Unknown, could exceed \$5,102,288) |
| Total Estimated Net Effect on General Revenue | (Unknown, could exceed \$121,488) | (Unknown, could exceed \$102,288) | (Unknown, could exceed \$5,102,288) |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 30 pages.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Department of Public Safety | \$1,824,003 | \$1,824,003 | \$1,824,003 |
| Missouri State Capitol Commission | (\$1,824,003) | (\$1,824,003) | (\$1,824,003) |
| Other State Sales Tax Funds | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| Blind Pension Fund | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| Historic Preservation Revolving Fund | \$0 or (Up to \$1,490,000) | \$0 or (Up to \$1,490,000) | \$0 or (Up to \$1,490,000) |
| Legal Expense Fund | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 to (Unknown, could exceed \$1,490,000) | \$0 to (Unknown, could exceed \$1,490,000) | \$0 to (Unknown, could exceed \$1,490,000) |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---------------------------------------------------------------|----------------|----------------|----------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|-----------------------------------------------------------|----------------|----------------|----------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Department of Public Safety* | -40 | -40 | -40 |
| Missouri State Capitol Commission* | 40 | 40 | 40 |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

* - Reallocation of funds and FTE nets to zero.

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 2020 | FY 2021 | FY 2022 |
| Local Government | \$0 to (Unknown) | Less than \$10,834,568 | Less than \$14,445,328 |

FISCAL ANALYSIS

ASSUMPTION

§§8.007 & 8.177 - Authorizes Missouri State Capitol Commission to employ Capitol Police Officers

Officials from the **Department of Public Safety - Capitol Police (CP)** state this bill would remove Missouri Capitol Police from the Department of Public Safety (DPS) and place it under the direction of the Missouri State Capitol Commission (Commission). The bill authorizes the commission to employ and supervise Missouri Capitol Police officers as outlined in §8.177, RSMo. It also gives the Commission the authority to appoint a sufficient number of Capitol Police officers to patrol the capitol grounds and handle all traffic and parking upon the capitol grounds and the grounds of other state-owned or leased properties in the capital city and the county which contains the seat of government.

The transfer from DPS to the Commission would require Capitol Police to replace the current department patch to reflect the division name change. Because the redesigned patch many not cover old stitching, it may be difficult for a local vender to remove and replace all department patches and provide quality service in completing the order within the required time frame. Therefore, it is suggested to purchase new uniform shirts with the new department patch for each of the 34 officers. Each officer would receive two long-sleeve and two short-sleeve shirts which equates to 136 shirts (34 * 4) requiring patches. In addition, the department would need to replace all vehicle decals and office emblems.

The following equipment items and costs will be considered a one-time expense:

| | | | |
|-----------------------------------|----------------------------|---|---------------|
| Vehicle/office emblems | \$700 per emblem x 10 | = | \$7,000 |
| Long-sleeve police uniform shirts | \$78 per shirt x 68 shirts | = | \$5,304 |
| Short-sleeve police uniform shirt | \$66 per shirt x 68 shirts | = | \$4,488 |
| 1,000 replacement uniform patches | \$2 per patch x 1,000 | = | \$2,000 |
| Replacement of coat patch | \$12 per coat x 34 coats | = | <u>\$ 408</u> |
| Total costs | | | \$19,200 |

Capitol Police consulted with the Office of Administration/Information and Technology Systems Division (OA/ITSD) to determine technology-related costs associated with the bill. At this time, it is unknown which ITSD section would provide services to Capitol Police.

OA/ITSD indicated there would be a cost associated with moving Capitol Police information and programs from the Department of Public Safety to a new server under the Commission. However, the cost estimate is unknown at this time.

ASSUMPTION (continued)

Oversight notes the one-time costs as outlined by Capitol Police to replace existing emblems, department patches, and uniforms. Oversight assumes each shirt and coat (one inner coat and one outer coat) would require two patches, one for each sleeve. In addition, vehicle and office emblems would also need to be replaced to reflect this change.

Oversight notes OA/ITSD is unable to provide an estimate of the cost associated with moving the information and programs from the Department of Public Safety to a new server under the Commission, Oversight will reflect CP's impact as (\$19,200 to Unknown) for fiscal note purposes.

Oversight notes this proposal would transfer the Capitol Police from the Department of Public Safety to the Missouri State Capitol Commission. The Capitol Police has been the primary law enforcement agency for the 72-acre state office building campus known as the Capitol Complex since 1983. Officers patrol the buildings and grounds in their jurisdiction 24 hours a day, seven days a week. Patrols are made on foot, by vehicle and on bicycle. Criminal investigations, medical emergencies, traffic accidents, security and fire alarms and security escorts are only a few of the many incidents and calls for service officers provide to over 15,000 state employees and over 200,000 annual visitors to the seat of government. Using the Governor's Executive Budget recommendation for FY 2020, Oversight will show a transfer of \$1,824,003 and 40 FTE from the Department of Public Safety to the Missouri State Capitol Commission.

Officials from the **Office of Administration's Facilities Management Design and Construction (OA-FMDC)** assume these sections touch some functions of OA-FMDC but do not have any direct fiscal impact.

§34.600 - Prohibits public bodies from entering into certain contracts

Officials from the **Office of Administration (Facilities Management Design and Construction and Division of Purchasing)** assume this section of the proposal would require OA to create a written certification and ensure it is signed by all vendors/contractors/consultants. Because the bill states that the certification is for the "duration of the contract," OA assumes that this certification would only have to be collected once, at the beginning of the contract. OA-Purchasing and OA-FMDC responded to this bill with no impact based on the assumption this would require minimal effort. If further tracking or monitoring is required, fiscal impact would result. No impact/less than \$10,000.

Officials at the **Joint Committee on Public Employee Retirement** assume this section would indicate that it would not affect retirement plan benefits.

ASSUMPTION (continued)

Oversight assumes that state and local governments could contract with a company that is currently engaged in a boycott of the State of Israel or territories under its control (or fails to comply with the provisions of this act). Oversight assumes that state and local governments would then need to contract with a different company which could potentially be of higher value. Therefore, Oversight will range the fiscal impact from \$0 to (Unknown) to state and local governments.

In response to a similar proposal from this year (HB 1006), officials from the **Monroe County Assessor** and the **St. Francois County Assessor's Office** each assumed the proposal will have no fiscal impact on their organizations.

Oversight notes that the above mentioned agencies have each stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials from the **Department of Transportation** defer to the Office of Administration - Budget and Planning to estimate the fiscal impact of the proposed legislation on their organization.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§§51.050, 55.060, 58.030, 60.010, 115.357, 162.291, 190.050, 204.610, 247.060, 249.140, 321.130, 483.010 - Changes the requirements to run for certain public offices

In response to similar legislation from this year, HCS for HB 438, officials at the **Office of the State Courts Administrator** assumed no fiscal impact from this proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

In response to similar legislation from this year, HCS for HB 438, officials at **St. Louis County**, the **St. Charles County Election Authority**, the **Kansas City Election Board**, **Johnson County**, the **St. Louis County Board of Election Commissioners**, the **Boone County Sheriff's Department**, the **Springfield Police Department**, the **St. Louis County Police Department** and the **St. Louis County Department of Justice Services** each assumed no fiscal impact to their respective entities from this proposal.

ASSUMPTION (continued)

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§59.100

In response to a previous version, officials at **Boone County**, the **Mississippi County Recorder of Deeds** and **Ray County** each assumed no fiscal impact to their respective entities from this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties and recorder of deeds officials were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§67.641 - Extends the authority to appropriate money for certain convention and sports complex funds

In response to similar legislation from this year, SB 241, officials at the **Office of Administration Division of Budget and Planning (B&P)** assumed this proposal will have no direct impact on General and Total State Revenues or the calculation pursuant to Article X, Section 18e. The proposal also allows for an additional ten years of appropriations for certain sports complex funds. B&P notes any such expenditures would be subject to appropriation. To the extent new appropriations are made from General Revenue, resources otherwise available for other budget priorities will be reduced. This proposal may result in additional induced revenues, which B&P cannot estimate.

Officials from the **Office of Administration - Division of Accounting** state section 67.641.3, specifies that we may contribute a sum of \$3 million per calendar year per sports complex that meets the specified criteria. Therefore, we may pay \$0 or we may pay \$15 million per year, assuming that we could have up to 5 pro sports teams (4 existing - Cardinals, Blues, Chiefs, Royals, + 1 new).

In response to similar legislation from this year, SB 241, officials at the **Department of Economic Development** assumed there is no fiscal impact from this proposal.

In response to similar legislation from this year, SB 241, officials at the **Jackson County** responded but did not indicate a fiscal impact.

ASSUMPTION (continued)

Regarding changes to Section 67.641, according to the Office of Administration - Division of Accounting's State Debt Report as of July 1, 2018, \$5,000,000 in annual state payments are authorized for thirty years and will be paid annually through FY 2021. Therefore, **Oversight** will assume this bill will extend the time frame from 30 years to 40 years (another 10 years) of \$5,000,000 annual payments from the state for the Jackson County project (\$3 million for Kauffman/Arrowhead Stadiums and \$2 million for Bartle Hall) beginning in FY 2022.

Officials at the **City of Kansas City** assume a positive impact from this proposal.

§68.040 - Authorizes a tax exemption for certain transactions with a port authority

In response to similar legislation from this year, Perfected HB 1061, officials at the **Office of Administration Division of Budget and Planning (B&P)** assumed this proposal may reduce Total State Revenue and the may impact the calculation under Article X, Section 18(e).

Section 68.040.5 would exempt sales and leases of property by a port authority from all local and state sales or property taxes. B&P notes that sales from a port authority to a private entity are currently subject to sales tax. Therefore, B&P estimates that this proposal would exempt sales, such as those of vehicles, from taxation.

This may reduce revenues for the State Road Fund, State Road Bond Fund, State Transportation Fund, School District Trust Fund, Conservation Commission, as well as Parks, Soil, and Water (DNR). This proposal would also reduce local sales tax collections and funds deposited into the Fuel Local Deposit (FLOYD) Fund.

B&P further notes that this proposal would only exempt the sales or lease of such property and not future property tax collections if such a sale were to a private entity. Therefore, B&P estimates that this proposal will not impact the Blind Pension Trust Fund or local property tax collections.

Officials at the **State Tax Commission** assume this would result in a nominal fiscal impact as port authorities have a tax exemption currently in law, and this proposal extends that exemption to leases.

Oversight notes there are 15 port authorities in the State. They are:

Howard-Cooper County Regional Port Authority
Jefferson County Port Authority
Kansas City Port Authority
Lewis County-Canton Port Authority
Marion County Port Authority
Mid-America Port Authority
Mississippi County Port Authority

ASSUMPTION (continued)

New Bourbon Regional Port Authority
New Madrid County Port Authority
Pemiscot County Port Authority
Pike - Lincoln County Port Authority
Southeast Missouri Regional Port Authority
St. Joseph Regional Port Authority
St. Louis City Port Authority
St. Louis County Port Authority

Oversight received notice that the New Madrid County Port Authority, Southeast Missouri Regional Port Authority, Howard-Cooper County Regional Port Authority and the Mid-America Port Authority do not currently issue Chapter 68 bonds. The KC Port Authority confirmed they use Chapter 68 bonds to develop property and buildings and then lease those buildings to private companies. Oversight notes that should those properties be currently taxable and then the Port Authority buys them, they become not taxable. If this proposal would exempt those companies that lease the building from paying taxes, then this would be a loss to the state and local governments of taxes due. Oversight will show the impact as \$0 to Unknown to General Revenue, the Other State Sales Tax Funds (Conservation, School, and Park & Soil) and to Local Political Subdivisions fiscal impact in the fiscal note.

Oversight notes it is unsure if this bill will have any impact since, for-profit lessees of property from political subdivisions do not qualify for property tax exemption under Article X, § 6.1, and a statute granting such an exemption was struck down as unconstitutional. *St. Charles County v. Curators of University of Missouri*, 25 S.W.3d 159 (Mo. banc 2000).

Oversight notes this proposal could also impact the Blind Pension Fund (0621). This fund receives money from the annual tax levy of \$0.03 of each \$100 valuation of assessed property. Oversight will show the loss of funding as \$0 to (Unknown).

§§70.600 & 70.631 - Authorizes political subdivisions to elect to cover certain positions as public safety personal for purposes of retirement plans

Officials from the **Joint Committee on Public Employees' Retirement** assume the proposal has no direct fiscal impact to the Joint Committee on Public Employee Retirement. Our review of this legislation indicates it would not create a "substantial proposed change" in future plan benefits as defined in Section 105.660(10).

In response to similar legislation from this year, Perfected HB 568, officials from **Local Government Employees Retirement System (LAGERS)** assumed this proposal would require modest programming changes to LAGERS' pension administration system that would result in a one-time cost to the LAGERS system of less than \$5,000. There would be no other fiscal impact to LAGERS.

ASSUMPTION (continued)

Oversight notes that LAGERS is not a political subdivision therefore will not reflect an impact to their organization in the fiscal note.

Oversight notes the minimum retirement age for general employees is 60 years of age. Oversight assumes this proposal lowers the minimum retirement age to 55 years of age for certain employees defined as public safety personnel. Oversight assumes there could be an increase in employer contributions for local political subdivisions for employees they elect to cover under the retirement system as public safety personnel who retire at the age of 55 instead of 60. Oversight notes each individual employer electing to add certain employees as public safety personnel would have a actuarial cost statement done to determine if the change would require an increase in the employers contribution rate.

Oversight notes the limitation on increases in employer contribution rates does not apply to contribution increase resulting from this proposal. Additionally, Oversight notes the board can set different rates of contributions employers having policeman members or having fireman members (RSMo. 70.730.4). Oversight is uncertain public safety personnel would qualify as policeman members or fireman members which would allow for a different contribution rate than general employees.

Oversight will show a range of \$0 (no local political subdivisions elect to cover additional employees as public safety personnel) to an unknown cost to local political subdivisions if an increase in employer contributions were needed. Oversight assumes this proposal is discretionary and would have no local fiscal impact without action by the governing body.

§105.145 - Changes the law regarding financial reports by political subdivisions

Officials from the **Department of Revenue (DOR)** state:

Any political subdivision that fails to timely submit a copy of the annual financial statement to the state auditor shall be subject to a fine of five hundred dollars per day, however, the fine shall not exceed ten percent of the total sales and use tax distribution of the fiscal year for which the annual financial statement was not timely filed.

Any political subdivision that has gross revenues of less than five thousand dollars or that has not levied or collected sales or use taxes in the fiscal year for which the annual financial statement was not timely filed shall not be subject to the fine authorized in this section.

If the failure to timely submit the annual financial statement was the result of fraud or other illegal conduct by an employee or officer of the political subdivision, the failure shall not be subject to a fine authorized in this section for the fiscal year in which the fraud or illegal conduct occurred.

ASSUMPTION (continued)

The director of revenue shall have the authority to make a one-time downward adjustment to any outstanding penalty imposed by this section on a single political subdivision if the director determines the fine is uncollectible. The director of revenue may prescribe rules and regulations necessary to carry out the provisions of this subsection.

Methodology

DOR reviewed the amount of fines collected in the month of December 2018. This number was then multiplied by 12, assuming that the monthly balance would remain the same/increase by the \$500 a day, going forward twelve months. This amounted to \$499,815. DOR reviewed the sales tax and use tax distributions for the month of December 2018. These amounts were multiplied by 12, assuming that the distributions would be similar month to month. The amounts were then multiplied by 10 percent. The total amounted to \$385,419.

DOR is allowed to keep two percent for the cost of collection. Based on December 2018's collection amount, the Department would have been able to retain \$9,996. Per this legislation, the Department would be able to retain \$7,708. DOR estimates that General Revenue could decrease by \$2,288.

When taking the two percent retained into consideration, the DOR estimates that the local schools of the counties reporting would have received \$489,819 as allowed currently pursuant to Section 105.145. The Department estimates that this proposed legislation would decrease total collections, as imposed under Section 105.145, would decrease to \$377,710. The difference, \$112,108 would be noticed at the schools to the county levels.

Oversight notes that according to Section 105.145.11, that fine revenue from violations of this section “shall be distributed annually to the schools of the county in the same manner that proceeds for all penalties, forfeitures, and fines collected for any breach of the penal laws of the state are distributed.” Therefore, the reduction in fines paid by political subdivisions resulting from the changes in the proposal (now not exceeding 10% of the total sales and use tax distribution, as well as the DOR now being able to make a one-time downward adjustment to any outstanding penalty imposed by this section) would result in a reduction in fine revenue received by school districts - less the 2% cost of collection retained by DOR.

In response to similar legislation from this year, Perfected HB 761, officials from the **Monroe County Assessor** and **St. Francois County Assessor** assumed the proposal will have no fiscal impact on their organization.

Oversight notes that DOR could have a decrease in the amount of fines collected. Therefore local schools of the counties reporting will see a reduction of the sales tax and use tax distributions received. Oversight will reflect the loss to local political subdivisions.

ASSUMPTION (continued)

§105.666

Officials from **Missouri State Employees' Retirement System (MOSERS)** assume the proposal would not have a fiscal impact on their agency.

Officials at the **Missouri Department of Transportation** defer to MPERS for this section of the proposal.

Officials from **Missouri Department of Transportation & Highway Patrol Employees' Retirement System (MPERS)** state this proposed legislation, if enacted, mandate a number of plan details be communicated to plan members annually in the annual benefit statement. These details include:

- The participant's accrued contributions to the plan
- The date first eligible for normal retirement
- Projected benefit amounts
- The date of the plan's valuation
- The plan's funded ratio
- A notice if the plan is noted on the joint committee for public employee retirement's watch list
- A notice if the actuarially determined contribution has not been made
- An link to the plan's website for viewing the Comprehensive Annual Financial Report

The proposal also redefines the delinquency status for public plans from less than 60% funded to those that are less than 70% funded and failed to make 100% of the actuarially required contribution for two successive plan years rather than three successive plan years.

Fiscal Impact

These additional reporting requirements would create additional work and cost for providing information that is already available publicly should any of our members wish to review the more technical aspects of their retirement system. The fiscal impact on MPERS from this proposal would be minimal.

Officials from **Joint Committee on Public Employee Retirement** assume the proposal has no direct fiscal impact to the Joint Committee on Public Employee Retirement. Our review of this legislation would indicate such provisions would not create a "substantial proposed change" in future plan benefits as defined in Section 105.660.

In response to similar legislation from this year, HB 201, officials from **Local Government Employees Retirement System** stated the system already provides active participants with Annual Benefit Statements that would satisfy a majority of the requirements in HB 201. However, slight modifications to these statements to fully satisfy the requirements of Section 5 would require additional programming that would result in a one-time cost of approximately \$5,000 to the system.

ASSUMPTION (continued)

Additionally, should LAGERS take on the administration of a legacy plan with Active Participants, as allowed for in RSMo 70.621, additional costs may be incurred. LAGERS is still in the early phases of implementing legacy administration for plans with active participants. As every legacy plan is unique, additional programming may be required on a case by case basis in the future, borne by the legacy plan. That cost cannot be known at this time.

Officials from **Police Retirement System of Kansas City** assume the cost to produce annual pension statements for 1800 active participants annually cannot be determined. The cost in staff time and materials is likely to be less than \$10,000 per fiscal year.

In response to similar legislation from this year, HB 201, officials from **Prosecuting and Circuit Attorney's Retirement System (PACARS)** assumed this proposal, if passed and signed into law, would potentially increase the administrative expenses of PACARS and other retirement systems of the state.

The bill contains language modifying section 105.661 by adding subsections 5 and 6. These replace and expand subsection 105.666.5, RSMo. The changes expand the information required to be provided to "active participants" in the plan. The expanded information required together with the individualized information required will undoubtedly require more administrative effort.

We do not have data to substantiate the amount of additional cost which would result from the additional administrative effort.

In response to similar legislation from this year, HB 201, officials from **Jackson County** assumed this proposal would cause a \$2,500 cost to the plan.

In response to similar legislation from this year, HB 201, officials from the **Public School Retirement Systems of St. Louis** assumed the proposal will have no fiscal impact on their respective organization.

In response to similar legislation from this year, HB 201, officials from **Employees Retirement System (ERS) of St. Louis** estimated the programming costs for creating the form to be \$32,000. ERS currently calculates benefits by hand. It would take a considerable amount of time and additional personnel to calculate each member's benefit each and every year (approximately 5,500 calculations each year). ERS could offer its website pension calculator for each person to input his or her data for an estimate.

Additional costs would include the waste of current forms on hand, the cost of developing and then printing the new forms. This is estimated to cost \$1,800. Approximately, \$1,000 of this would be a recurring annual cost. In summary, the total cost to ERS would be approximately \$34,100.

ASSUMPTION (continued)

In response to similar legislation from this year, HB 201, officials from **Firefighters' Retirement Plan** stated all of our grand-fathered pension calculations rely on data from the frozen plan and are only provided to the FRP on an "as retires" basis. This would require additional resources on the FRS and FRP part in order to get the frozen data and enter it on each of our participants' accounts. I would estimate \$10,000 in expenses to acquire this information from the FRS.

The Lychval System the FRP currently uses could accommodate many of the requested fields; however a new form would need to be created in order to provide all the newly requested information. Cost associated with this customization would include:

40 hours programming at \$160 per hour
20 hours testing at \$20 per hour
fulfillment: postage \$350, paper \$50, printing/folding 10 hours at \$20 per hour

The FRP estimates total expenses of \$17,400 to comply with this proposal.

Oversight notes that MOSERS and MPERS have stated the proposal would have no impact or a minimal fiscal impact on their organizations. Oversight does not have information to the contrary; therefore, Oversight assumes MOSERS and MPERS can absorb these administrative costs without raising employer contribution rates.

Oversight assumes these additional administrative expenses may or may not impact the contribution rate of local political subdivisions to the retirement systems. Oversight will show a range of impact of \$0 (costs can be absorbed) to an increase in contributions rates by local political subdivisions to cover administrative expenses.

§137.181 - Assessment of Residential Property

Officials at the **State Tax Commission** assume this section of the proposal provides that in any appeal in front of the Board of Equalization, there is no presumption that the assessors value is correct. Consequently the taxpayer and the assessor have equal footing before the Board of Equalization, neither having a presumption. §137.181 specifies "any increase of 10% or over" that the assessment of residential property is "erroneous". The provision increases the burden of proof on the assessor to "clear and convincing evidence" that the assessment is "proper". The change may have an unknown fiscal impact on local assessment officials in providing for the additional burden of proof (appraisals costs etc) in such a proceeding. Additionally the "10% or over" threshold may increase the volume and number of taxpayer appeals before the Board of Equalizations. The fiscal impact would be unknown.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a cost of (Unknown) for additional time researching assessed valuations.

ASSUMPTION (continued)

Officials at the **Howell County Assessor's Office** assume this proposal has an undeterminable fiscal impact, but could be significant.

Oversight notes the section does not clarify what class of county this section would apply to. Since the class is not specified, there is a potential this section of the proposal could affect all counties and could cause a significant unknown cost to the county assessors. Therefore, Oversight will reflect a \$0 to unknown cost for this section of the proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties and assessor offices were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§§190.292, 190.293, 190.335 & 190.455 - Authorizes Cape Girardeau County to levy, upon voter approval, a sales tax dedicated to 911 services

In response to similar legislation from this year, HCS for HB 1249, officials at the **Office of Administration Division of Budget and Planning (B&P)** assumed this proposal permits the county commission upon receipt of a petition to allow voters in the County of Cape Girardeau to impose a sales tax up to 1.00% for the purpose of funding emergency services for the county. Collection of the sales tax shall not occur more than 36 months before operation of the central emergency services commences.

Using forecast estimates for statewide average growth in local sales taxes and state taxes (including food), the estimated average growth for FY 2019 and FY 2020 is 3.4% and 3.1%, respectively.

B&P estimates the County of Cape Girardeau FY 2020 taxable sales to total \$1.4 billion. B&P assumes the emergency services centralized operations will commence in three years and that this sales tax would take effect starting April 1, thus only impacting Q4 of FY 2020 sales collections. For the County of Cape Girardeau, with estimated Q4 sales collections of \$1.4 billion, this proposed sales tax could generate approximately \$3.6 million for the county in FY 2020. As a voter-approved tax with collections under the authority of an emergency services board, the collected revenues will not impact on General and Total State Revenues or the calculation under Article X, Section 18(e).

Using the same methodology to estimate FY 2021 and FY 2022 sales, we estimate taxable sales in County of Cape Girardeau to total \$1.4 billion in FY 2020. This proposed sales tax might generate approximately \$14.4 million for the county in FY 2021, and annually thereafter. As a voter-approved tax with collections under the authority of an emergency services board, the collected revenues will not impact on General and Total State Revenues or the calculation under Article X, Section 18(e).

ASSUMPTION (continued)

Officials at the **Department of Revenue (DOR)** assume as published in the Department of Revenue's "Financial and Statistical Report - Fiscal Year Ended June 30, 2017, Cape Girardeau County received or was distributed by the Department approximately \$14,275,551 in sales tax. The Department collects one percent for the cost of collection. When extrapolating the distribution amount out to incorporate the one percent, total sales tax collected in Cape Girardeau County during Fiscal Year 2017 is estimated at \$14,419,748 (\$14,275,551 / 99%).

Currently, Cape Girardeau County imposes a sales tax at a rate of 1 percent. If extrapolated out, the Department estimates that Cape Girardeau County's total taxable sales equaled \$1,427,555,100 (\$14,419,748 / 1%).

The Department estimates that if a sales tax rate equal to one percent was imposed pursuant to Section 190.293, as written in this proposed legislation, Cape Girardeau County would receive twice as much in distribution each year; the Department estimates that Cape Girardeau County would receive an additional \$14,275,551 ($\$1,441,974,800 \times 1\% - (\$14,419,748 \times 1\%)$)

| Fiscal Year | Increase to Cape Girardeau County Revenues |
|-------------|--------------------------------------------|
| 2020 | \$0 |
| 2021 | \$14,275,551 |
| 2022 | \$14,275,551 |
| 2023 | \$14,275,551 |

Cape Girardeau County, would receive the aforementioned revenues if the qualified voters of Cape Girardeau County passed such ordinance and if the rate applied was one percent.

Officials at the Cape Girardeau County did not respond to **Oversight's** request for fiscal impact.

Oversight notes this proposal would become effective August 28, 2019 and therefore could not be placed on the November 2019 ballot as the certification date for the November election is August 27, 2019. Therefore it would be put to a vote of the people at the April 2020 municipal election. 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 2020 general municipal election would be October 1, 2020 (FY 2021). Therefore, only nine months of taxes would be collected in FY 2021.

Oversight will show the impact as \$0 (not approved or put before voters) to the impact estimated by B&P. Also, Oversight assumes the current Emergency telephone service tax authorized in Section 190.305 would cease to be collected if this sales tax is approved by voters. Oversight does not have information regarding the amount of current collections under Section 190.305; therefore, Oversight will reflect an unknown loss of revenue to Cape Girardeau County, but by an amount less than the possible sales tax collections would be.

ASSUMPTION (continued)

In response to similar legislation from this year, HCS for HB 1249, officials at **Laclede County** and **St. Louis County** each assumed there is no fiscal impact from this proposal.

§253.403 - Grants to preserve, protect or restore historic county courthouses and historic county courthouse grounds

Officials from the **Department of Natural Resources (DNR)** assume the proposal will have no direct fiscal impact on their organization.

Upon further inquiry by **Oversight**, DNR noted the costs to administer the program in the Division of State Parks would be:

| | |
|--------------------------------------|-----------------|
| 0.5 FTE Cultural Resource Planner II | \$20,942 |
| Fringe Benefits | \$12,751 |
| Travel | \$1,000 |
| Supplies | <u>\$500</u> |
| Total | \$35,193 |

Oversight assumes DNR may be able to use existing resources to administer this program as they indicated in their assumption; however, DNR may also incur some expenses administering this program. Therefore, Oversight will range the administrative costs to DNR on the fiscal note from \$0 to the amounts shown above.

Oversight notes the fund balance in the Historic Preservation Revolving Fund (0430) has been:

| | |
|------------------|------------------|
| June 30, 2016 | \$1,842,766; |
| June 30, 2017 | \$1,381,980; |
| June 30, 2018 | \$1,695,579; and |
| January 31, 2019 | \$1,490,359 |

Oversight assumes DNR may award grants to preserve, protect, or restore historic county courthouses and courthouse grounds from the Historic Preservation Revolving Fund; therefore Oversight will range the fiscal impact of this proposal from \$0 (DNR does not award grants) to the approximate balance of the Historic Preservation Revolving Fund assuming DNR could not award grants totaling more than the balance of the fund. Oversight will also reflect the fiscal impact to Counties as \$0 (does not receive grants from DNR) to that same amount.

In response to similar legislation from this year, Perfected HCS for HB 379, officials from the **Office of Administration - Budget and Planning (BAP)** assumed this proposal will have no fiscal impact on their organization, no direct impact on General and Total State Revenues and will not impact the calculation pursuant to Article X Section 18(e).

ASSUMPTION (continued)

Oversight notes that BAP has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

§262.760 - Working Animals

In response to similar legislation from this year, Perfected HCS for HB 559, officials from **St. Louis County**, the **City of Keytesville** and **Ray County** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§321.242

Officials at the **Department of Revenue (DOR)** assume this section would change the current top sales tax rate of one-fourth of one percent to one half of one percent.

Under the parameters outlined under this section the DOR currently collects from one jurisdiction. In FY 2018 the Raytown Fire Protection District collected \$494,661.94. This was collected at the 0.25% rate. Total taxable sales amounted to \$197.9 million. With an increase of the tax to 0.5% the Raytown Fire Protection District would collect an estimated \$989,323.88. The Department would collect a 1% collection fee, which would go to General Revenue. This would be an estimated \$4,946.26 to General Revenue if passed by voter approval.

The DOR sees no administrative cost for this proposed legislation.

In response to similar legislation from this year, Perfected SB 333, officials at the **Office of Administration Division of Budget and Planning (B&P)** assumed this allows increasing the sales tax for the described fire protection district from 0.25% up to 0.50% for the purpose of funding fire protection.

ASSUMPTION (continued)

According to the State Demographer, the description of any first class county in subsection 1 has population parameters that fit the population of the City of Ballwin. However, the exclusion of a first class county with a population in excess of 900,000 would mean that St. Louis County, where the City of Ballwin is located, would not be among the fire protection districts or municipalities imposing this sales tax increase. In fact, a demographic search of first class counties does not yield any city that meets the population parameters of 30,000 to 35,000 inhabitants.

The sponsor's Senate floor discussion indicates that the intent is to allow Kansas City to increase its current sales tax from one-fourth of one percent to one-half of one percent. The second half of the description (after the "or" in 321.242.1) covers Kansas City.

Currently, DOR knows of 19 fire protection districts with a sales tax. The City of Raytown's fire protection sales tax is the only one of the 19 with a one-fourth of one percent sales tax. In FY 2018, the City of Raytown received \$494,661 in revenue on this tax. Using this data, the projected increase to the DOR collection fee would be \$4,946 after the sales tax increase. This DOR collection amount would impact Total State Revenue. Because the sales tax increase would be subject to voter approval, there would be no impact to the calculation of Article X, Section 18(e).

With only one year of sales tax data from City of Raytown fire protection sales tax collections, B&P is unable to project future years of tax revenues and collection fees. Therefore, Budget and Planning defers to DOR for estimates of specific collection costs and projected sales tax revenues.

Officials at the **City of Kansas City** assume if approved by the voters this would generate revenues of approximately \$20.9 million.

In response to similar legislation from this year, Perfected SB 333, officials at the **City of Sugar Creek** assumed a positive impact in an indeterminate amount.

In response to similar legislation from this year, Perfected SB 333, officials at the **Monroe County Assessor** and the **St. Louis County** each assumed there is no fiscal impact from this proposal.

In response to similar legislation from this year, Perfected SB 333, officials at the **St. Francois County Assessor** assumed they have no information to calculate the impact.

ASSUMPTION (continued)

Oversight notes that §321.242 currently allows certain fire protection districts or municipal fire departments to impose a sales tax rate upon a vote of its people at a rate of one-fourth of one percent for the district. As pointed out by B&P it is unclear which fire protection districts are covered by §321.242. This proposal would change the language to allow “up to one-half of one percent” which would allow the fire protection districts or municipal fire departments under this section the flexibility to choose their sales tax amount up to one-half of one percent. Oversight is unclear as to exactly which municipal fire departments would fall under this increased rate. Oversight will show the impact as \$0 (none take action or not approved by voters) to an unknown amount of sales tax revenue (and 1% collection fee for DOR).

§§367.031, 486.600 thru 486.1025, and 578.700 - Notaries public

Officials from the **Office of Administration - General Services** assume section 486.805 appears to create a new cause of action and damages. If a claim were successfully brought against a state agency or a state employee alleging a violation of this legislation, the Legal Expense Fund could be required to pay such claim or claims. However, the number of potential claims, the severity of those claims, and the ultimate costs associated with any settlement or judgment resulting from those claims cannot be forecasted with any degree of assurance to their accuracy.

The state self-assumes its own liability under the state Legal Expense Fund, Section 105.711, RSMo. It is a self-funding mechanism whereby funds are made available for the payment of any claim or judgment rendered against the state in regard to the waivers of sovereign immunity or against employees and specified and individuals. Investigation, defense, negotiation or settlement of such claims is provided by the Office of the Attorney General. Payment is made by the Commissioner of Administration with the approval of the Attorney General.

Oversight will reflect the potential liability to the state as described by OA as \$0 (State is not liable or no successful suits against the state) to an unknown loss to the State Legal Expense Fund.

For the purpose of this proposed legislation, officials from the **Office of State Public Defender (SPD)** state they cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with any of the proposed new crimes regarding Notaries - all new Misdemeanors. In FY 2019, SPD did not have any cases under RSMo 486. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

ASSUMPTION (continued)

Oversight notes over the last three fiscal years, the SPD has lapsed a total of \$152 of General Revenue appropriations (\$0 out of \$36.4 million in FY 2016; \$2 out of \$28.0 million in FY 2017; and \$150 out of \$42.5 million in FY 2018). Therefore, **Oversight** assumes the SPD is at maximum capacity and the increase in workload resulting from this bill cannot be absorbed within SPD's current resources.

Adding one additional Assistant Public Defender 1 (APD) with a starting salary of \$47,000, will cost approximately \$74,500 per year in personal service and fringe benefit costs. One additional APD II (\$52,000 per year; eligible for consideration after 1 year of successful performance at APD I) will cost the state approximately \$81,000 per year in personal service and fringe benefit costs. When expense and equipment costs such as travel, training, furniture, equipment and supplies are included, Oversight assumes the cost for a new APD could approach \$100,000 per year.

Oversight assumes the SPD cannot absorb the additional caseload that may result from this proposal within their existing resources and, therefore, will reflect a potential additional cost of (Less than \$100,000) per year to the General Revenue Fund.

In response to similar legislation from this year, HCS for HB 495, officials from the **Office of State Courts Administrator** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation from this year, HCS for HB 495, officials from the **City of Keytesville, Springfield Police Department, Monroe County Assessor, St. Louis County Department of Justice Services, and St. Louis County Police Department** assumed the proposal will have no fiscal impact on their respective organizations.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties, police and sheriff departments were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

§436.338 - Prohibits political subdivisions from requiring a home inspection before the sale of residential property

In response to similar legislation from this year, HB 1189, officials at the **Department of Economic Development** and the **Office of the State Courts Administrator** each assumed no fiscal impact to their respective agencies from this proposal.

ASSUMPTION (continued)

Oversight notes that the Department of Economic Development and the Office of the State Courts Administrator each has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

In response to similar legislation from this year, HB 1189, officials at **St. Louis County** and **Ray County** each assumed no fiscal impact to their respective entities from this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

Oversight notes that according to Ordinance 69202 in St. Louis City, the City Housing Conservation District Inspection is a basic code inspection designed to check for minimal interior building code violations, and meet minimum exterior standards under the International Property Maintenance Code. The Housing Conservation District includes 98% of the property in St. Louis. The inspections are not intended to imply a guarantee or warranty as to the overall condition of the building and/or systems. Units must be inspected before they are rented or sold. The initial application cost is \$90 with discounts for multiple applications for inspections at the same address.

Oversight assumes that cities and/or counties with similar inspection ordinances could have a reduction in revenue on fees from inspections should this proposal be enacted. Oversight is unclear on the amount of revenues that could be lost from this proposal and will reflect a \$0 to unknown loss in revenues for this proposal.

Bill as a Whole

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Missouri Highway Patrol**, the **Department of Conservation**, the **Missouri Senate**, the **Department of Agriculture**, the **Department of Elementary and Secondary Education**, the **Missouri State Employees' Retirement System**, the **Department of Social Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Office of State Auditor**, the **Department of Corrections**, the **Department of Natural Resources**, the **Department of Public Safety's Office of the Director**, the **Office of the Attorney General**, the **Joint Committee on Administrative Rules**, the **Office of the State Treasurer**, the **MoDOT & Patrol Employees' Retirement System** and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **Missouri Department of Transportation** assume no additional impact to this proposal other than what is already stated in the above sections.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials at the **Public School & Education Employee Retirement Systems of Missouri** assume no fiscal impact from this proposal.

Officials at the **Employees Retirement System of the City of St. Louis**, the **Firemen's Retirement System of St. Louis**, the **Kansas City Public School Retirement System**, the **Platte County Board of Elections**, the **City of Columbia**, the **Sheriffs' Retirement System**, the **Jackson County Election Board** and the **Metropolitan St. Louis Sewer District** each assume no fiscal impact to their respective entities from this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties, cities, local law enforcement, fire protection districts, ambulance districts, board of election commissions, local election authorities, recorder of deeds offices, assessors and utilities were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Costs</u> - Capitol Police - One time costs to replace emblems, uniforms, patches (§8.177) p. 4 | (\$19,200) | \$0 | \$0 |
| <u>Costs</u> - OA/ITSD - Moving Capitol Police information and programs from DPS to Commission (§8.177) p. 5 | (Unknown) | \$0 | \$0 |
| <u>Cost</u> - Potentially higher value contract cost (§34.600) p. 6 | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Costs</u> - OA - extension of time for payments for projects in Jackson County from 30 years to 40 years (§67.641) p. 8 | \$0 | \$0 | (\$5,000,000) |
| <u>Revenue Reduction</u> - DOR - port authorities exempt from sales tax (§68.040) p. 9 | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| <u>Loss</u> - DOR - 2% of fee collection amount (§105.145) p. 11 | Could exceed (\$2,288) | Could exceed (\$2,288) | Could exceed (\$2,288) |
| <u>Additional Revenue</u> - DOR - 1% DOR Collection fee (§321.242) | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| <u>Costs</u> - SPD - (§367.031) p. 20- 21 | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) |
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | (Unknown, could exceed <u>\$121,488</u>) | (Unknown, could exceed <u>\$102,288</u>) | (Unknown, could exceed <u>\$5,102,288</u>) |

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|-------------------------------------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| DEPARTMENT OF PUBLIC SAFETY | | | |
| Reallocation - Capitol Police - funding and 40 FTE from DPS to Commission p. 5 | <u>\$1,824,003</u> | <u>\$1,824,003</u> | <u>\$1,824,003</u> |
| ESTIMATED NET EFFECT TO THE DEPARTMENT OF PUBLIC SAFETY | <u>\$1,824,003</u> | <u>\$1,824,003</u> | <u>\$1,824,003</u> |
| Estimated Net Change to FTE | (40 FTE) | (40 FTE) | (40 FTE) |
| MISSOURI STATE CAPITOL COMMISSION | | | |
| Reallocation - Capitol Police - funding and 40 FTE into the Commission p. 5 | <u>(\$1,824,003)</u> | <u>(\$1,824,003)</u> | <u>\$1,824,003</u> |
| ESTIMATED NET EFFECT TO THE COMMISSION | <u>(\$1,824,003)</u> | <u>(\$1,824,003)</u> | <u>(\$1,824,003)</u> |
| Estimated Net Change to FTE | 40 FTE | 40 FTE | 40 FTE |
| OTHER STATE SALES TAX FUNDS | | | |
| Revenue Reduction - DOR - port authorities exempt from sales tax (§68.040) p. 8 - 9 | \$0 to <u>(Unknown)</u> | \$0 to <u>(Unknown)</u> | \$0 to <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON OTHER STATE SALES TAX FUNDS | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> |
| BLIND PENSION FUND | | | |
| Revenue Reduction - DOR -§68.040 port authorities exempt from property tax p. 9 | \$0 to <u>(Unknown)</u> | \$0 to <u>(Unknown)</u> | \$0 to <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON THE BLIND PENSION FUND | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> | <u>\$0 to (Unknown)</u> |

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

**HISTORIC PRESERVATION
 REVOLVING FUND**

| | | | |
|-------------------------------------------------------------|-------------------|-------------------|-------------------|
| <u>Costs - DNR - administer program</u> (§253.403) p. 17 | \$0 or.... | \$0 or | \$0 or |
| Personal Service (.5 FTE) | (\$20,942) | (\$20,942) | (\$20,942) |
| Fringe Benefits | (\$12,751) | (\$12,751) | (\$12,751) |
| Expense & Equipment | (\$1,500) | (\$1,500) | (\$1,500) |
| Total Costs - DNR | \$0 or (\$35,193) | \$0 or (\$35,193) | \$0 or (\$35,193) |
| FTE Change - DNR | 0 or .5 FTE | 0 or .5 FTE | 0 or .5 FTE |

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Cost - DNR - grants awarded to preserve, protect or restore historic county courthouses and historic county courthouse grounds</u> (§253.403) p. 17 | \$0 or (Up to \$1,490,000) | \$0 or (Up to \$1,490,000) | \$0 or (Up to \$1,490,000) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|

| | | | |
|-------------------------------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| ESTIMATED NET EFFECT ON THE HISTORIC PRESERVATION REVOLVING FUND | <u>\$0 or (Up to \$1,490,000)</u> | <u>\$0 or (Up to \$1,490,000)</u> | <u>\$0 or (Up to \$1,490,000)</u> |
|-------------------------------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|

LEGAL EXPENSE FUND

| | | | |
|------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <u>Costs - Potential state liability for damages caused by notaries</u> (§486.805) p. 20 | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
|------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|

| | | | |
|-------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| ESTIMATED NET EFFECT TO THE LEGAL EXPENSE FUND | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> |
|-------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|

| <u>FISCAL IMPACT - Local Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Cost</u> - Potentially higher value contract cost (§34.600) p. 5-6 | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Revenue Reduction</u> - DOR - port authorities exempt from sales & property tax (§68.040) p. 8-9 | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| <u>Cost</u> - increase in employer contribution rates for employers who elect to cover certain positions as public safety personnel (§§70.600 & 70.631) p. 10 | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Savings</u> - reduction in amount of fine from limitation of 10% of sales & use tax distribution, plus, DOR being able to make one time adjustments (§105.145) p. 10-11 | Could exceed \$112,108 | Could exceed \$112,108 | Could exceed \$112,108 |
| <u>Loss</u> - School Districts - reduction in fine revenue from limitation of 10% of sales & use tax distribution, plus, DOR being able to make one-time adjustments (§105.145) p. 11 | Could exceed (\$109,820) | Could exceed (\$109,820) | Could exceed (\$109,820) |
| <u>Costs</u> - Cities and Counties - potential increase in the contribution rates to cover additional costs §105.666 p. 12-14 | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Cost</u> - Counties - increase in time spent researching assessment valuation done by staff (§137.181) p. 14-15 | (Unknown) | (Unknown) | (Unknown) |
| <u>Revenue</u> - Cape Girardeau County - County telephone sales tax (§§190.292, 190.293, 190.335 & 190.455) p. 15-16 | \$0 | \$0 or \$10,832,280 | \$0 or \$14,443,040 |
| <u>Loss</u> - Cape Girardeau County - Termination of tax collections (§§190.292, 190.293, 190.335 & 190.455) p. 15-16 | \$0 | \$0 or (Unknown) | \$0 or (Unknown) |

| <u>FISCAL IMPACT - Local Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------|-----------------------------------|
| <u>Income</u> - Counties - grants awarded from DNR (§253.403) p. 17 | \$0 or Up to \$1,490,000 | \$0 or Up to \$1,490,000 | \$0 or Up to \$1,490,000 |
| <u>Cost</u> - Counties - costs associated with preserving historic county courthouses and historic county courthouse grounds (§253.403) p. 17 | \$0 or (Up to \$1,490,000) | \$0 or (Up to \$1,490,000) | \$0 or (Up to \$1,490,000) |
| <u>Additional Revenue</u> - flexibility in increasing sales tax (§321.242) p. 18-20 | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| <u>Loss</u> - in revenues from inspection fees (§436.338) p. 21-22 | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS | \$0 to (Unknown) | Less than \$10,834,568 | Less than \$14,445,328 |

FISCAL IMPACT - Small Business

Business that collect sales tax under §§190.292, 190.293, 190.335 and 190.455 will be impacted. Small businesses that utilize working animals could be impacted by this proposal in section 262.760.

FISCAL DESCRIPTION

This proposal modifies numerous provisions relating to political subdivisions.

The provisions of this bill become effective January 1, 2020.

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

- Office of the Secretary of State
- Office of Administration
 - Division of Budget and Planning
 - General Services
 - Division of Purchasing
 - Facilities Management, Design and Construction
- Office of the State Public Defender
- Office of Prosecution Services

SOURCES OF INFORMATION (continued)

Department of Insurance, Financial Institutions and Professional Registration
Department of Public Safety
 Missouri State Highway Patrol
 Capitol Police
 Office of the Director
Missouri Department of Transportation
Department of Corrections
Department of Conservation
Office of the State Courts Administrator
Office of the State Treasurer
Department of Labor and Industrial Relations
Springfield Police Department
St. Louis County Department of Justice Services
St. Louis County Police Department
Boone County
Mississippi County Recorder of Deeds
Ray County
Joint Committee on Public Employee Retirement
Missouri Local Government Employees' Retirement System
Department of Revenue
Joint Committee on Administrative Rules
State Auditor's Office
Department of Elementary and Secondary Education
MoDOT & Patrol Employees' Retirement System
Monroe County Assessor
City of Kansas City
St. Francois County Assessor
Laclede County
St. Louis County
Department of Natural Resources
Department of Agriculture
City of Keytesville
Ray County
City of Sugar Creek
St. Charles County Election Authority
Employees' Retirement System of the City of St. Louis
Firemen's Retirement System of St. Louis
Kansas City Public School Retirement System
Platte County Board of Elections
City of Columbia
Jackson County Election Board
Metropolitan St. Louis Sewer District
Howell County Assessor's Office

SOURCES OF INFORMATION (continued)

Public School & Education Employee Retirement Systems of St. Louis
Sheriffs' Retirement System
Kansas City Election Board
Johnson County
St. Louis County Board of Election Commission
Boone County Sheriff's Department
Department of Economic Development
Jackson County
State Tax Commission
Missouri State Employee Retirement System
Employees Retirement System of St. Louis
Firefighters' Retirement Plan
Prosecuting and Circuit Attorney's Retirement System
Missouri Senate
Department of Social Services
Office of the Attorney General
Public School & Education Employee Retirement Systems of Missouri



Kyle Rieman
Director
May 8, 2019

Ross Strope
Assistant Director
May 8, 2019