

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3824S.04T
Bill No.: Truly Agreed To and Finally Passed SS for SB 678
Subject: Kansas City; Law Enforcement Officers and Agencies
Type: Original
Date: June 2, 2022

Bill Summary: This proposal modifies provisions relating to funding for the Kansas City Police Department.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government*	\$0	\$0	\$0

*Offsetting increase in costs (additional appropriation) to the City of Kansas City and an increase in funding to the Kansas City Police Department

FISCAL ANALYSIS

ASSUMPTION

Officials from the **City of Kansas City** state this proposal could have a significant negative fiscal impact on the City by requiring the City to increase the amount of funds to the Kansas City Police Department.

Officials from the **Kansas City Police Department (KCPD)** state this proposal will not cause a negative fiscal impact to the KCPD. In response to a previous version, KCPD stated based on information provided to Kansas City, Missouri Police Department by the Kansas City, Missouri Finance Department, FY 2021-22 revenues, all sources, are \$1,763,471,697. The City excludes over \$1 billion of total revenues when applying the current one-fifth statutory limitation in 84.730, making it appear that the City is funding the KCPD at a higher percentage.

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

According to KCPD’s Appropriated Budget for 2021-22, \$256,773,275 is appropriated for FY 2022. **Oversight** assumes this appropriated budget reflects the current 20% statutory limitation when additional forces are needed by the KCPD. This proposal suggests a 25% limitation which when applied would yield \$320,966,594 $((\$256,773,275 / .20) \times .25)$. This would be an increase in funding to the KCPD of \$64,193,319 $(\$320,966,594 - \$256,773,275)$. **Oversight notes this bill is not contingent upon passage of SJR 38. If the SJR is not approved by voters, then this proposal could be subject to the Hancock Amendment and could impact state revenues (dependent upon legal actions and court decisions).** Therefore, upon SJR 38 being passed and approved by the voters, Oversight will reflect a potential increase in funding costs of \$0 or greater than \$64.1 million for this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2023	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> - City of Kansas City – potential increase in appropriation funding (other programs potentially receiving less funding)	\$0 or (Could exceed \$64,100,000)	\$0 or (Could exceed \$64,100,000)	\$0 or (Could exceed \$64,100,000)
<u>Revenue</u> – Kansas City Police Department - potential increase in appropriation funding	<u>\$0 or Could exceed \$64,100,000</u>	<u>\$0 or Could exceed \$64,100,000</u>	<u>\$0 or Could exceed \$64,100,000</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

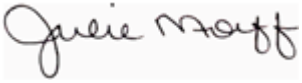
Under current law, the city of Kansas City is required to provide one-fifth of its general revenue per fiscal year to fund the Kansas City Board of Police. This act increases such funding to one-fourth of the city's general revenue.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

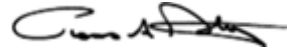
SOURCES OF INFORMATION

City of Kansas City
 Kansas City Police Department
 Department of Revenue

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