

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3439H.05C
 Bill No.: HCS for SS for SB 900
 Subject: Prisons and Jails; Counties; Cities, Towns, and Villages; Taxation and Revenue - Sales and Use
 Type: Original
 Date: April 28, 2024

Bill Summary: This proposal modifies provisions relating to jails.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
General Revenue	\$0 or Unknown, could exceed \$2,294	\$0 or Unknown, could exceed \$13,761	\$0 or Unknown, could exceed \$13,761	\$0 or Unknown, could exceed \$13,761
Total Estimated Net Effect on General Revenue	\$0 or Unknown, could exceed \$2,294	\$0 or Unknown, could exceed \$13,761	\$0 or Unknown, could exceed \$13,761	\$0 or Unknown, could exceed \$13,761

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
Total Estimated Net Effect on FTE	0	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 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
Local Government	\$0 or Unknown, could exceed \$229,347	\$0 or Unknown, could exceed \$1,376,084	\$0 or Unknown, could exceed \$1,376,084	\$0 or Unknown, could exceed \$1,376,084

FISCAL ANALYSIS

ASSUMPTION

§221.108 – Telephones in correctional facilities

Officials from the **Department of Corrections (DOC)** assume the proposal will have no fiscal impact on their organization. The DOC states the current phone services contract charges offenders \$0.05 per minute. If this proposal is passed, the department will need to amend its telephone contract to ensure compliance with this legislation.

Officials from the **Department of Revenue (DOR)** 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.

Officials from **Kansas City** and the **Branson Police Department** each assume 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 in the fiscal note for these agencies.

Repeals §221.105 and implements §550.320

Officials from the **Department Corrections (DOC)** 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.

§§221.400, 221.402, 221.405, 221.407 & 221.410 – Regional Jail Districts

Officials from the **Department of Revenue (DOR)** notes that the Daviess/DeKalb Regional Jail District is the only one formed under §221.400. It currently assesses a 1/2% sales tax. For FY22, they collected \$1,376,084. DOR is unaware if any of the surrounding counties are wishing to join this district. DOR assumes that once a new county would pass the sales tax and adopt the required ordinance, they would notify DOR and DOR would get the new county set up. This would require DOR to update its distribution program estimated to cost \$1,785 at the time that DOR is notified.

Oversight assumes this proposal changes the sales tax percentage to up to 1%. Since the current Daviess/DeKalb Regional Jail District collects ½% in sales tax revenue, it is possible that the county commission could add the question to increase the sales tax rate to the November 2024 ballot. Oversight is also unaware of any surrounding counties who may want to join the current district. However, should a surrounding county get voter approval and approve an ordinance to join the district, additional revenues could be generated for the Regional Jail District. Oversight notes that the current expiration date of September 30, 2028 is being removed from this proposal.

Oversight assumes should the proposal pass, the current collection of sales tax for the Regional Jail District will continue into FY29 and beyond. Oversight also assumes if an additional sales tax is passed by the voters, the 1st day it would be effective would be April of 2025, assuming it is on the ballot November of 2024, and the collection of sales tax would be in May of 2025. Therefore, Oversight will reflect a \$0 (no additional increase to sales tax approved by voters) or estimated revenues received (if approved by the voters) by the Regional Jail District to be unknown that could exceed the current DOR amount, as well as, a 1% administration fee collected by DOR.

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to the counties within the regional jail districts for the fiscal impact. DOR's retained collection fee will increase TSR because DOR will be able to collect its 1% administration fee for handling the collection of the sales taxes from this proposal.

Officials from the **City of Kansas City** assume 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 in the fiscal note for these agencies.

In response to a previous version, officials from the **Jackson County Board of Elections** assumed 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.

§§221.520 & 221.523 – Protections for pregnant offenders

Officials from the **Department of Revenue (DOR)** 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.

Officials from the **Department of Corrections (DOC)** assume no fiscal impact on this proposal. The requirement to promulgate rules could delay receipt in claims to county submissions while the rule promulgation is underway.

Officials from the **City of Kansas City** assume a negative fiscal impact of an indeterminate amount if the legislation causes an increase in costs of jailing prisoners.

Oversight notes the provision of this proposal would not significantly increase the costs of jailing prisoners. Any increase in the cost is assumed to be minimal and absorbable within current funding levels.

In response to similar legislation from this year, Perfected HCS for HB Nos. 1777, 2203, 2059 & 2502, officials from the **Branson Police Department** indicated this proposal would have an administrative impact on their organization but did not provide a fiscal impact. Therefore, for fiscal note purposes, Oversight assumes any fiscal impact incurred by this police department would be absorbable within current funding levels.

Responses regarding the proposed legislation as a whole

Officials from the **Office of State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Department of Commerce and Insurance**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Public Safety (Office of the Director, Missouri Highway Patrol & Missouri Veterans Commission)**, the **Department of Social Services**, the **University of Missouri System**, the **Platte County Board of Elections**, the **St. Louis City Board of Elections**, the **St. Louis County Board of Elections**, the **City of O'Fallon**, the **Phelps County Sheriff's Office**, the **Kansas City Police Department**, the **St. Louis County Police Department**, the **Missouri Office of Prosecution Services** and the **Joint Committee on Administrative Rules** each assume 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 in the fiscal note for these agencies.

Officials from the **Office of the Secretary of State (SOS)** note 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 its 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, circuit clerks, local law enforcement agencies, local election authorities, hospitals and counties were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (2 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2029)
GENERAL REVENUE				
Revenues – DOR – 1% administration fee on sales tax collection §§221.400, 221.402, 221.405, 221.407 & 221.410	<u>\$0 or Unknown, could exceed \$2,294</u>	<u>\$0 or Unknown, could exceed \$13,761</u>	<u>\$0 or Unknown, could exceed \$13,761</u>	<u>\$0 or Unknown, could exceed \$13,761</u>
ESTMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or Unknown, could exceed \$2,294</u>	<u>\$0 or Unknown, could exceed \$13,761</u>	<u>\$0 or Unknown, could exceed \$13,761</u>	<u>\$0 or Unknown, could exceed \$13,761</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (2 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2029)
REGIONAL JAIL DISTRICT(S)				
Revenue – additional sales taxes received if approved by voters §§221.400, 221.402, 221.405, 221.407 & 221.410	<u>\$0 or Unknown, could exceed \$229,347</u>	<u>\$0 or Unknown, could exceed \$1,376,084</u>	<u>\$0 or Unknown, could exceed \$1,376,084</u>	<u>\$0 or Unknown, could exceed \$1,376,084</u>
ESTIMATED NET EFFECT ON REGIONAL JAIL DISTRICT(S)	<u>\$0 or Unknown, could exceed \$229,347</u>	<u>\$0 or Unknown, could exceed \$1,376,084</u>	<u>\$0 or Unknown, could exceed \$1,376,084</u>	<u>\$0 or Unknown, could exceed \$1,376,084</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

REGIONAL JAIL DISTRICTS (Section 221.400, 221.402, 221.405, 221.407, & 221.410)

Under current law, any two or more contiguous counties may establish a regional jail district.

This act provides that if an existing regional jail district already levies a sales tax and another county joins the district, such joining with the district will not be effective until the voters of the county have approved the sales tax. If the voters do not approve the sales tax, the county attempting to join the district shall not be permitted to join.

This act also adds that a district may equip and maintain jail facilities, as well as lease its properties. The regional jail commission shall have the power to acquire, construct, repair, alter, improve, and extend a regional jail and it may contract with governmental or private entities. Commissioners shall also serve until their successors have assumed office.

Under current law, any regional jail district may impose a one-eighth, one-fourth, three-eighths, or one-half of one percent sales tax. This act changes the amount to up to one percent. This act also repeals the provision that such sales tax may be used for court facilities in the regional jail district.

This act also provides that expenditures paid for by the regional jail district sales tax trust fund may be made for any of the district's authorized purposes.

These provisions repeals the sunset provision.

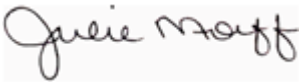
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

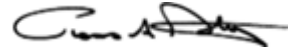
Department of Revenue
Office of Administration - Budget and Planning
Department of Commerce and Insurance
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Corrections
Department of Public Safety
 Office of the Director
 Missouri Highway Patrol
 Missouri Veterans Commission
Department of Social Services
University of Missouri System

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City of Kansas City
City of O'Fallon
Jackson County Board of Elections
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Office of the State Courts Administrator
Office of the Secretary of State
Kansas City Police Department
Phelps County Sheriff's Department
Branson Police Department
St. Louis County Police Department
Missouri Office of Prosecution Services
Joint Committee on Administrative Rules



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April 28, 2024



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