

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3439S.03P  
 Bill No.: Perfected SS for SB 900  
 Subject: Prisons and Jails; Counties; County Officials; County Government; Political Subdivisions; Taxation and Revenue - Sales and Use  
 Type: Original  
 Date: April 3, 2024

Bill Summary: This proposal modifies provisions relating to jails.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
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
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or Unknown, could exceed \$2,294</b>	<b>\$0 or Unknown, could exceed \$13,761</b>	<b>\$0 or Unknown, could exceed \$13,761</b>	<b>\$0 or Unknown, could exceed \$13,761</b>

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

Numbers within parentheses: () indicate costs or losses.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
<b>Local Government</b>	<b>\$0 or Unknown, could exceed \$229,347</b>	<b>\$0 or Unknown, could exceed \$1,376,084</b>	<b>\$0 or Unknown, could exceed \$1,376,084</b>	<b>\$0 or Unknown, could exceed \$1,376,084</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§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 not only is there an emergency clause for this proposal, but 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 1<sup>st</sup> 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. The proposal also includes an emergency clause.

Officials from the **Department of Corrections**, the **Department of Public Safety (Office of the Director & Missouri Highway Patrol)**, the **City of Kansas City**, the **Platte County Board of Elections**, the **St. Louis City Board of Elections** and the **St. Louis County Board of Elections** 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.

In response to a previous version, officials from the **Office of the State Courts Administrator** and the **Jackson County Board of Elections** each 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 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.

Repeals §221.105 and implements §550.320

Officials from the **Department of Corrections** and the **Phelps County Sheriff's 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.

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 **Office of Administration - Budget and Planning** assume this section makes administrative changes to county reimbursement language and moves the provisions from §221.105 to Chapter 550.

Senate Amendment 1

§§217.451 and 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**, the **Office of Administration - Budget and Planning**, the **Department of Public Safety (Office of the Director & Missouri Highway Patrol)**, **Kansas City**, the **St. Louis City Board of Elections**, the **St. Louis County Board of Elections**, the **Branson Police Department** and the **St. Louis County 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.

In response to similar legislation from this year, HCS for HB Nos. 1679 & 2169, officials from the **Phelps County Sheriff’s Department** and the **Kansas City Police Department** each 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 in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other cities, circuit clerks, local law enforcement agencies, local election authorities 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)
<b>GENERAL REVENUE</b>				
<u>Revenues – DOR – 1% administration fee on sales tax collection §§221.400, 221.402, 221.405, 221.407 &amp; 221.410</u>	<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>
<b>ESTMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 or Unknown, could exceed \$2,294</u></b>	<b><u>\$0 or Unknown, could exceed \$13,761</u></b>	<b><u>\$0 or Unknown, could exceed \$13,761</u></b>	<b><u>\$0 or Unknown, could exceed \$13,761</u></b>

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

INMATE PHONE CALL FEES (Sections 217.451 & 221.108)

This act provides that correctional centers shall provide offenders with reasonable access to phone services, unless such access is restricted as a disciplinary measure. Additionally, no correctional center shall charge more than 12 cents per minute for a domestic phone call of an inmate.

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.

These provisions act contains an emergency clause.

#### REIMBURSEMENTS TO JAILS (Section 550.320 & 221.105)

This act provides that whenever a person is sentenced to a term of imprisonment in a correctional center, the Department of Corrections shall reimburse the county or St. Louis City for the days the person spent in custody at a per diem cost not to exceed \$37.50 a day.

The sheriff of the county or St. Louis City shall certify to the clerk of the county or to the chief executive officer of St. Louis City the total number of days any offender spent in the county or city jail. The county clerk or the chief executive officer shall then submit the total number of days to the Department no later than two years from the date the claim became eligible for reimbursement. The Department shall determine if the expenses are eligible for reimbursement and shall remit any payment to the county or to St. Louis City.

Finally, this act repeals provisions relating to the current process for counties and St. Louis City to request reimbursement for the number of days an offender spent in a county or city jail.

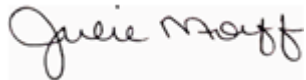
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

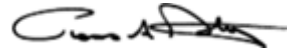
Department of Revenue  
Office of Administration - Budget and Planning  
Department of Corrections  
Department of Public Safety  
    Office of the Director  
    Missouri Highway Patrol  
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St. Louis County Board of Elections  
Office of the State 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



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April 3, 2024



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