

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0618H.04C
Bill No.: HCS for SS for SB 50
Subject: Prisons and Jails; Counties; County Officials; County Government; Political
Subdivisions; Taxation and Revenue - Sales and Use
Type: Original
Date: May 5, 2025

Bill Summary: This proposal modifies provisions relating to prisons and jails.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
General Revenue*	(Unknown, could exceed \$250,000)	Unknown, could exceed \$11,333 to (Unknown)	Unknown, could exceed \$15,111 to (Unknown)	Unknown, could exceed \$30,222 to (Unknown)
Total Estimated Net Effect on General Revenue	(Unknown, could exceed \$250,000)	Unknown, could exceed \$11,333 to (Unknown)	Unknown, could exceed \$15,111 to (Unknown)	Unknown, could exceed \$30,222 to (Unknown)

***Oversight** assumes the loss of revenue from court costs would be less than \$250,000 annually. Calculation of the Good Time Credit in FY26 could exceed the \$250,000 threshold in cost but the potential savings for §558.041 would not be realized till FY 2029.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	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 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	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 2026	FY 2027	FY 2028	Fully Implemented (FY 2029)
Local Government	\$0	\$0 or Unknown, could exceed \$1,133,306	\$0 or Unknown, could exceed \$1,511,075	\$0 or Unknown, could exceed \$3,022,150

FISCAL ANALYSIS

ASSUMPTION

§§67.010 & 67.020 – Annual Budgets of Political Subdivisions

In response to similar legislation from this year, HB 749, officials from **O’Fallon** 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.

§71.948 - Requirements for Physical Copies of a Municipal Code

In response to a similar proposal this year, (Perfect HCS for HB 119), officials from the **Office of the Secretary of State** and the **City of O’Fallon** 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.

§79.235 – Residency Requirements of a City of the Fourth Classification

In response to similar legislation from this year, Perfect HCS for HB 73, officials from the **Office of the Secretary of State** and **O’Fallon** 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 notes this proposal allows the mayor of a 4th class city with less than 3,000 inhabitants to appoint a member to a local board or commission if the prospective appointee owns real property or a business in the city. **Oversight** also assumes this section is for cities within St. Louis County and that those cities would not be included in the provisions of this proposal. Therefore, **Oversight** assumes this section will have no fiscal impact on state or local governments.

§§221.400, 221.402, 221.405, 221.407, 221.410 & 550.320 – Regional Jail Districts

Officials from the **Department of Revenue (DOR)** note that the Daviess/DeKalb Regional Jail District is the only one formed under §221.400. It currently assesses a 1/2% sales tax. For FY 24, they collected \$1,511,075. 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 \$1,832 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 April 2026 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 1st day it would be effective September of 2026, assuming it is on the ballot April 2026, and the collection of sales tax would be in October of 2026. 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.

Oversight assumes this proposal repeals the sunset provision. Therefore, Oversight will show the continued cost of the existing the sales tax beginning in FY 2029.

DOR states §221.402 adds clarifying language that the jail district may use their sales tax to “equip” and “maintain” their jail facilities and will have no fiscal impact to the proposal. DOR also states §221.407 adds clean-up (simplifying) language that the sales tax allowed for a jail district could either be 1/8th, 1/4th, 3/8th or ½ of one percent. This proposal would add language saying the tax can be “up to 1%” and would have no fiscal impact to the proposal. DOR also states §550.320 is not relevant to DOR and therefore would have no impact.

This proposal has an emergency clause that would allow counties wanting to join an existing jail district to place before the voters the question to accept the jail tax as early as the November 2025 general election.

In response to a previous version, officials from the **Office of Administration - Budget and Planning (B&P)** deferred to the counties within the Regional Jail Districts for the fiscal impact. DOR’s retained collection fee will increase total state revenues (TSR) because DOR will be able to collect its 1% administration fee for handling the collection of the sales taxes.

B&P states §550.320 makes administrative changes to county reimbursement language and moves the provisions from §221.105 to Chapter 550. §221.105 is repealed from Chapter 221.

§558.041 – Good time credit

Officials from the **Department of Corrections (DOC)** state this section is modified to stipulate offenders “shall” receive additional credit, and modifies the requirements for such time, to include obtaining a high school diploma or equivalent, completion of a substance use treatment program, and other programs. The offender may earn a maximum of 90 days of credit in any twelve-month period.

Currently, the department does not have an automated system that could track and calculate the good-time credits that are described in the legislation. At this time, the department is unsure if an automated system can be created because of the different criteria it takes to calculate good time credit. This is a labor-intensive calculation done by hand by DOC's Records Officer staff. It is unknown to the department how many additional staff may be needed in order to comply with this legislation.

As such, the department is unable to project the impact to the prison population. However, it is assumed the legislation would decrease the number of individuals incarcerated.

Oversight notes DOC stated in a previous fiscal note (HCS for HB 916) that this potential savings will not be realized until FY 2029 and then in each subsequent year thereafter. DOC assumes this savings to be more than \$250,000 annually.

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect a potential cost for the IT system development that could occur in FY 2026 or a potential unknown cost for FTE to handle the calculations. Additionally, as this new program may decrease populations for DOC, Oversight will reflect a potential savings (\$0 or Unknown) beginning in FY 2029. Oversight notes, in response to other legislation this year, DOC has used a per-inmate cost of \$10,485 to the General Revenue Fund per year.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Public Safety - Office of the Director**, the **Missouri Highway Patrol**, the **Department of Social Services**, the **Missouri Ethics Commission**, the **University of Missouri System**, **Kansas City**, the **Platte County Board of Elections**, the **St. Louis County Board of Elections**, the **Branson Police Department**, the **Kansas City Police Department**, **Metropolitan St. Louis Sewer District**, the **South River Drainage District**, the **St. Charles County PWS #2**, the **Wayne County PWS #2** and the **Office of the State Auditor** 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 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.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will

review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** noted 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.

In response to a previous version, officials from the **Jackson County Election Board**, the **St. Louis City Board of Elections**, the **Phelps County Sheriff's Office** and the **St. Louis County Police Office** 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, counties, county circuit clerks, local law enforcement agencies fire protection districts, ambulance districts, school districts and utility districts 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</u> <u>– State</u> <u>Government</u>	FY 2026	FY 2027 (9 Mo.)	FY 2028	Fully Implemented (FY 2029)
GENERAL REVENUE				
<u>Revenue</u> – DOR – 1% administration fee on sales tax collection §§221.400, 221.402, 221.405, 221.407, 221.410 & 550.320 p. 3-4	\$0	\$0 or Unknown, could exceed \$11,333	\$0 or Unknown, could exceed \$15,111	\$0 or Unknown, could exceed \$30,222
<u>Savings</u> - DOC (§558.041) Potential impact to the population relating to good time credit p. 5	\$0	\$0	\$0	\$0 or Unknown
<u>Loss</u> –OSCA– potential loss of revenue by the courts §221.407 p. 5	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost</u> – DOC – p. 5 (§558.041) Calculation of good-time credits	(Unknown, Could exceed \$250,000)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown, could exceed \$250,000)	Unknown, could exceed \$11,333 to (Unknown)	Unknown, could exceed \$15,111 to (Unknown)	Unknown, could exceed \$30,222 to (Unknown)

<u>FISCAL IMPACT</u> <u>– Local</u> <u>Government</u>	FY 2026	FY 2027 (9 Mo.)	FY 2028	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 & 550.320 p. 3-4	\$0	<u>\$0 or Unknown,</u> <u>could exceed</u> <u>\$1,133,306</u>	<u>\$0 or Unknown,</u> <u>could exceed</u> <u>\$1,511,075</u>	<u>\$0 or Unknown,</u> <u>could exceed</u> <u>\$3,022,150</u>
ESTIMATED NET EFFECT ON REGIONAL JAIL DISTRICTS	\$0	<u>\$0 or</u> <u>Unknown,</u> <u>could exceed</u> <u>\$1,133,306</u>	<u>\$0 or</u> <u>Unknown,</u> <u>could exceed</u> <u>\$1,511,075</u>	<u>\$0 or</u> <u>Unknown,</u> <u>could exceed</u> <u>\$3,022,150</u>

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 contain 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 Commerce and Insurance
Department of Health and Senior Services

Department of Mental Health
Office of the State Courts Administrator
Office of the Secretary of State
Department of Public Safety
 Office of the Director
 Missouri Highway Patrol
Kansas City
Jackson County Election Board
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Phelps County Sheriff's Office
Kansas City Police Department
St. Louis County Police Office
O'Fallon
Department of Social Services
Missouri Ethics Commission
University of Missouri System
Branson Police Department
Metropolitan St. Louis Sewer District
South River Drainage District
St. Charles County PWSD #2
Wayne County PWSD #2
Office of the State Auditor



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