

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2898S.01I
Bill No.: SB 809
Subject: Children and Minors; Counties; County Government; Courts; Courts, Juvenile;
Crimes and Punishment; Criminal Procedure; Prisons and Jails
Type: Original
Date: April 8, 2025

Bill Summary: This proposal modifies provisions relating to juvenile detention centers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	\$0	\$0 to (Unknown)	\$0 to (Unknown)

***Oversight** assumes DOR's administration fee on sales tax will not meet the \$250,000 threshold. The unknown cost for OSCA is not expected to meet the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§§211.331, 211.341 & 211.342 – Juvenile Detention Centers

Officials from the **Department of Revenue (DOR)** assume this proposal would grant counties the ability to create a juvenile detention center. It would also allow counties within the same circuit to establish one juvenile detention center to share. This proposal also grants the counties the ability to adopt by a vote of the citizens of a county a sales tax to fund their portion of the juvenile detention center. The sales tax can be up to 1% on all retail sales in the county. The tax is to be collected by DOR who is allowed to retain 1% of the amount collected to reimburse the expense of collection.

The language of this proposal would become effective August 28, 2025, and it appears the first election in which the sales tax could be voted on would be the April 2026 municipal election. This proposal adds language stating that the sales tax would become effective the first day of the second quarter following the election. DOR notes that upon receipt of the election, DOR would notify the vendors in the area of the new sales tax, and it would become effective October 1, 2026.

DOR is unable to predict which counties may choose to adopt this sales tax. DOR notes that once a new county passes the sales tax and notifies DOR, DOR would get the new county set up. This would require DOR to update the distribution program estimated to cost \$7,327 at the time DOR is notified. Additionally, DOR needs to update the sales and use tax map, the revenue premier computer program, rate charts & rate manager changes as well as notify businesses in that county of the tax rate change. This is estimated to cost at least \$10,000 per tax rate change. None of the other sections of the bill impact DOR.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to administrative and computer updates that could occur from the impact of a new county sales tax from the provisions of this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight notes the first election in which the sales tax could be voted on would be in the April 2026 municipal election. If the sales tax is approved by the voters, then the first day the sales tax could take effect would begin October 1, 2026 (FY27). DOR's administrative collection of the sales tax from the counties would be in November of 2026. Oversight is also not aware of how many counties would choose to adopt this sales tax. Therefore, Oversight will assume the unknown revenue collection from DOR's 1% fee will not meet the \$250,000 threshold.

Oversight does not have information to the contrary and therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact to general revenue for DOR's administrative collection of sales tax for the counties who vote in a sales tax to fund a Juvenile Detention Center within their judicial circuit beginning in FY27. Oversight will also reflect a \$0 (no voter approval) or unknown revenue to the County Juvenile Detention Center Sales Tax Trust Fund beginning in FY27.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this proposal allows counties to establish a 1% sales tax for the purpose of establishing juvenile detention centers. B&P defers to the specific county 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 and to DOR for more specific estimates of actual collection costs.

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.

Officials from the **Kansas City Election Board** state it costs \$800,000 to conduct an election in the Kansas City portion of Jackson County. Depending on when the election would be held and the other entities anticipating, the State would be responsible for their pro-rata share of election expenses based on voter registration.

Oversight assumes the timing for an election to approve a sales tax to fund a new Juvenile Detention Center would take place during a regular election cycle (April or November) to streamline any election costs that would be impacted. Therefore, Oversight will assume no direct fiscal impact from this proposal.

Officials from the **Department of Social Services, the Jackson County Election Board, 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.

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 counties, county treasurers and St. Louis City 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 2026	FY 2027 (8 Mo.)	FY 2028
GENERAL REVENUE			
<u>Revenue</u> – DOR – 1% administration fee on county sales tax to fund a new Juvenile Detention Center §211.342	\$0	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – OSCA – additional staff for new Juvenile Detention Center established by county sales tax §211.342	\$0	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026	FY 2027 (9 Mo.)	FY 2028
COUNTY JUVENILE DETENTION CENTER SALES TAX TRUST FUND			
<u>Revenue</u> – sales tax to fund a new Juvenile Detention Center for the county §211.342	\$0	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON THE COUNTY JUVENILE DETENTION CENTER SALES TAX TRUST FUND	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

Small businesses could be impacted from this proposal if a new sales tax is voted in to fund a new Juvenile Detention Center.

FISCAL DESCRIPTION

Currently, circuit judges of a judicial circuit may establish a place of juvenile detention for the counties within the circuit court. This act provides that a county commission or governing body of a county may provide for juvenile detention in coordination with all other counties within the same circuit court or with all counties of the same circuit court and all counties of an adjoining circuit court. The county commission or governing body shall approve an ordinance, order, or resolution authorizing a place of detention, shall approve an agreement as specified in this act between the counties, and shall notify the presiding circuit judge.

The operation and support of a juvenile detention facility authorized pursuant to this act shall be regulated in accordance with the rules and standards of the Supreme Court of Missouri under the governance of the circuit judge. If two or more counties of adjoining judicial circuits have authorized a place of detention, the circuit judges shall jointly govern the affairs of the place of detention. Furthermore, the counties authorizing a place of detention pursuant to this section may impose, by order, a sales tax up to one percent on all retail sales.

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
Office of the State Courts Administrator
Kansas City Election Board
Department of Social Services
Jackson County Election Board
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Office of the Secretary of State



Julie Morff
Director
April 8, 2025



Jessica Harris
Assistant Director
April 8, 2025