

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 4047-03  
BILL NO.: HS for HCS for SB 881 with HA's 1 & 2  
SUBJECT: Kansas City: Transportation  
TYPE: Original  
DATE: May 1, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$0	\$654,480	\$1,308,960
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$654,480</b>	<b>\$1,308,960</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$64,800,000</b>	<b>\$129,600,000</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

**Section 92.418**

**Missouri Department of Transportation** officials assume no fiscal impact to state Highway Funds.

Officials of the **Kansas City Manager's Office** stated there would be no fiscal impact from this portion of the proposal.

Officials of the **Kansas City Area Transit Authority** stated there would be no additional members to the Authority and compensation for expenses remain unchanged, therefore, officials assume no fiscal impact from this portion of the proposal..

**Cass County** officials assume no fiscal impact.

**Oversight** assumes Section 92.418 of this proposal does not increase nor decrease funds to the "Public Mass Transportation Trust Fund" of Kansas City, and does not add any additional duties to the Interstate Transportation Authority. Oversight assumes this portion of the proposal only affects the distribution of funding within the authority by removing the limits on the amount of money in the fund that could be spent on motor pool operations. Therefore, Oversight assumes no fiscal impact to the Public Mass Transportation Trust Fund of Kansas City.

**Section 94.655 - House Amendment #2**

**Oversight** assumes by deleting the expiration date for the transportation sales tax provided for in Sections 94.600 to 94.655, RSMo, would affect only the transportation sales tax in the City of St. Louis and St. Louis County, and would not apply to the Kansas City Area Transportation Authority.

In response to a similar proposal, officials of the **Department of Revenue** stated that extending the Transportation Sales Tax under Chapter 94, RSMo, would have no administrative impact on their agency.

In response to a similar proposal, officials of the **Bi-State Development Agency** stated that extending the Transportation Sales Tax under Chapter 94, RSMo, and would have fiscal impact to their agency. Officials stated that for fiscal year ending 1998 collections of the Transportation Sales Tax for the City of St. Louis and St. Louis County were \$129.6 million.

ASSUMPTION (continued)

Oversight assumes fiscal impact would begin January 1, 2002 which would include 6 months of fiscal year 2002.

Income to Political Subdivisions from the Transportation Sales Tax for 6 months of fiscal year 2002 is estimated to be \$64,800,000, and \$129,600,000 in fiscal year 2003. The Department of Revenue would retain a 1% collection fee.

This proposal would result in an increase in total state revenues since collection fees are included in the general revenue fund and general revenues are included in the calculation of total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002 (6 Mo.)	FY 2003
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<u>Income</u> to General Revenue 1% Collection Fee (Section 94.655.2)	\$0	\$654,480	\$1,308,960
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<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002 (6 Mo.)	FY 2003
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<u>Income</u> to Political subdivisions from Transportation Sales Tax (Section 94.655.2)	\$0	\$64,800,000	\$129,600,000
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FISCAL IMPACT - Small Business

Small businesses would be expected to be fiscally impacted to the extent that they pay local sales tax on taxable items or collect tax on sales of taxable items. The extension of the Transportation Sales Tax would cause small businesses to continue to pay or collect and remit the local sales tax.

DESCRIPTION

This legislation allows funding of motor pool operation by the Mass Transportation Trust Fund. The Public Mass Transportation Trust Fund is for the primary benefit of a public mass transportation system in Kansas City.

DESCRIPTION (continued)

Currently, the law limits the amount of sales tax collected to six and one-half percent of the moneys deposited in the fund to motor pool operations. Motor pool operations is a special transportation service provided by a city to certain residents of a city including transporting elderly persons and persons with disabilities. This act eliminates the six and one-half percent limitation on motor pool operation funding. The public Mass Transportation Trust Fund is financed by a sales tax imposed on personal property or taxable services.

This act revises the method in which the Commissioners of the Kansas City Area Transportation Authority are appointed. There would be five Commissioners of the Kansas City Area Transportation Authority appointed from within the district. One Commissioner each from Cass, Platte and Clay Counties and that part of Jackson County not within the city of Kansas City, and one from the City of Kansas City. Commissioners serving on August 28, 2000 would serve the remainder of their appointed term. Thirty days after the position of a Commissioner would become vacant, that Commissioner's successor would be appointed in the following manner. If the current commissioner or the position which has become vacant was appointed from Platte or Clay County, the county commission of the county would submit a panel of three persons who are residents of that county. Selected by a majority vote of the commission, to the mayor of Kansas City, Missouri, who would appoint with the approval of a majority of the city council of the city of Kansas City. If the current commissioner or the position which has become vacant was appointed from Cass County, the county commission of the county would submit a panel of three persons who are residents of the county and if any city, town or village, including the city of Kansas City, Missouri, in that county, selected by a majority vote of the commission, to the mayor of Kansas City, Missouri, who would appoint with the approval of a majority of the members of the city council of the city of Kansas City. If the vacancy to be filled is from Jackson County, the County Executive of Jackson County would appoint a successor who is a resident of any city, town or village, other than Kansas City, that has appropriated funds for the operation of the authority in its current or preceding fiscal year. If the vacancy is from Kansas City, the Mayor would appoint a successor who is a resident of Kansas City.

The term of office for a commissioner is four years. No person shall serve more than two consecutive four-year terms.

If the person was appointed to serve an unexpired term of a predecessor who had more than two and one-half years remaining on his or her term, then the person would only serve one additional four-year term.

In those cities in which the transportation sales tax has been submitted to and approved by the voters or by a majority vote of the governing body of any such city without submission of the

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DESCRIPTION (continued)

issue to the voters, the transportation sales tax shall remain in effect until repealed by local ordinance in those cities.

The sunset clause for this provision of December 31, 2001 has been deleted.

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  
Missouri Department of Transportation  
City of Kansas City  
Kansas City Area Transit Authority  
Cass County Clerk  
Bi-State Development Agency



Jeanne Jarrett, CPA  
Director  
May 1, 2000