

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2789-10
Bill No.: Perfected SS for SCS for SB 715
Subject: Local Governments.
Type: Original
Date: March 15, 2004

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|---------------------------------|---------------------------------|---------------------------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| General Revenue | Unknown to (Unknown) | Unknown to (Unknown) | Unknown to (Unknown) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | Unknown to (Unknown) | Unknown to (Unknown) | Unknown to (Unknown) |

*Costs expected to exceed \$100,000

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------|------------------|------------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| Blind Pension Trust | (Unknown) | (Unknown) | (Unknown) |
| School Moneys | \$0 | \$0 | \$0 |
| Total Estimated Net Effect on <u>Other</u> State Funds | (Unknown) | (Unknown) | (Unknown) |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 30 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|-----------------------------|-----------------------------|-----------------------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| Local Government | Unknown to (Unknown) | Unknown to (Unknown) | Unknown to (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

Sections 48.020 and 48.030 County Classification Change:

In response to similar legislation the **Jasper County Commission** assume these sections could save a second class county the costs of establishing a juvenile center, medical examiner, and salary increases of elected officials until the Commission decides the county could afford the changes.

Franklin County Officials assumed no fiscal impact.

Oversight assumes the provisions of Sections 48.0202 and 48.030 are procedural in nature and should have no fiscal impact other than by raising the required assessed valuation for a classification change would possibly postpone a county from changing classification until a later date, thereby postponing a possible increase in the expenditure of money on salaries, new offices, etc. For purposes of this fiscal note, Oversight assumes this proposal could save certain counties

ASSUMPTION (continued)

money from postponing a classification change. **Fiscal impact to certain counties will be shown as \$0 to an Unknown savings.**

Section 49.272 Cass and Jasper County Counselor:

Oversight assumes this section is permissive. This proposal would allow Cass or Jasper County's governing body by ordinance, to elect to impose civil fines for violations of county ordinances, rules, and regulations. The fines could not exceed \$250 per violation. Oversight assumes this section does not require Cass or Jasper County officials to impose fines, or to appoint a County Counselor. Oversight assumes that if the Cass or Jasper County Commission would initiate the provisions of this section, then the County would realize income to its General Revenue Fund from fines allowed herein, and the county would realize a loss of income from paying the costs of enforcement of county ordinances, rules and regulations. Oversight assumes fines and costs of enforcement would equal resulting in no fiscal impact.

Sections 50.550, 50.565, and 559.021 - County Law Enforcement Restitution Fund:

Department of Corrections officials assume no fiscal impact.

Officials of the **Office of State Courts Administrator** stated that this proposal does not specify who would be responsible for receiving and accounting for what would in most cases be installment payments. Since the Sheriff and Prosecutor would be the beneficiaries of the fund, officials assume one of them would provide these services through local funds, and state-paid court clerks would not be required to perform this duty. If this assumption is valid, there would be no appreciable state cost. However, if the court clerks are required to provide this service, there would be a state cost in direct proportion to the volume of transactions.

Officials stated that traffic cases are technically misdemeanors, and if as an alternative to a traffic conviction, a defendant can get a suspended sentence for payment into the crime reduction fund, the potential volume could be in the hundreds of thousands of cases. If cases that would otherwise have resulted in a conviction are shifted to a suspended imposition or execution of sentences, it is likely to result in the loss of revenue from fines to the schools, crime victims' compensation fund, law enforcement training and other earmarked funds.

In response to similar legislation of last session, officials of the **Department of Elementary and Secondary Education** assumed no fiscal impact.

ASSUMPTION (continued)

Oversight assumes that fiscal impact would depend upon several factors: 1) The County Commission would need to establish the Law Enforcement Restitution Fund; and 2) The amount of fiscal impact would depend on the number of cases the Court would suspend and require payment into the Law Enforcement Restitution Fund.

Oversight assumes that to the extent there is a reduction in fines on the local level, schools would receive more money in state aid due to the school aid formula. Therefore, the loss of fine revenues would be subsidized by the State's General Revenue Fund.

Section 50.740 - Third and Fourth Class County Treasurers duties:

Oversight assumes this section is procedural and would have no fiscal impact. This section would allow certain County Treasurers to issue only payroll checks before the budget estimate is filed with the County Commission.

Section 67.402 - Certain Counties Trash, Weed Abatement:

Oversight assumes this proposal would allow Cole, Boone, and Jefferson counties to eradicate a nuisance. Currently this law only applies to Jefferson County. Oversight assumes this proposal is discretionary and would have no fiscal impact unless the governing body would enact the provisions of this proposal. Oversight assumes this proposal adds noxious weeds to the universe of items for which these provisions may be used.

Oversight assumes that this proposal provides a way for first class counties to clean up obnoxious weeds and recover the expenses involved. Oversight assumes no fiscal impact to the counties.

Sections 67.793 and 67.799- Regional Recreational Districts

Officials of the Department of Revenue estimates to implement Section 67.799, the department would require 692 hours of programming or \$23,085 to allow for partial counties to enact regional recreation districts.

Section 67.1706: Metropolitan District - Powers

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of **St. Louis County and the City of St. Louis** did not respond.

ASSUMPTION (continued)

Section 67.2000 - Allows certain counties to create a Exhibition Center and Recreational Facility District:

Officials of the **Department of Revenue** assume that to implement Section 67.2000, 692 hours of programming or \$23,085 to allow partial counties to enact exhibition and recreational facility districts.

Oversight assumes this proposal is permissive and would require voter approval before any fiscal impact would be realized by the state or the new district. Oversight assumes this proposal as written, does not require the counties described herein to establish a recreational district, therefore, there would be no fiscal impact.

If a district were formed the county would have election costs which is unknown. The newly formed district would realize income from a voter approved sales tax that could not exceed one-half of one percent on all retail sales within the district. The district would realize costs of funding the construction and operation of an Exhibition Center and Recreational Facility. **Oversight** assumes that costs would not exceed income in a given year. **The State's General Revenue Fund would realize additional income from a 1% collection fee retained by the Department of Revenue. The amount of income realized in a given year is Unknown.**

Oversight for purposes of this fiscal note, assumes this section, as written, does not issue a mandate to the counties described herein to establish a recreational district, therefore, there would be no fiscal impact to state or local governments.

Section 67.2500, 67.2505, 67.2515, 67.2520, 67.2525 and 67.2530: Creation of Theater, Cultural Arts, and Entertainment District Act for St. Charles County:

In response to almost identical legislation, (Fiscal Note 4768-01), Officials of the **Department of Revenue, Department of Economic Development, Division of Tourism,** and the **State Courts Administrator** assume no fiscal impact to their agencies.

Officials of the **Department of Transportation (MoDOT)** assume this legislation would allow Theater, Cultural Arts and Entertainment Districts to be formed by voters. Such districts would be political subdivisions of the state. Voters may approve a sales tax to fund the purposes of the district. Such purposes include, the funding, promoting and providing of educational, civic, musical, theatrical, cultural, and other entertainment events as well as the funding of the design, construction and improvement of public improvements and transportation projects in the district.

ASSUMPTION (continued)

The number of Entertainment Districts that would be formed, the number that would want transportation improvements and the number of transportation improvements that may impact the state highway system is unknown. If the districts do not allocate funding for state transportation projects, this legislation would have no fiscal impact to MoDOT. However, if the districts do allocate funding for state transportation projects, this legislation would have a positive unknown fiscal impact.

Section- 94.837: Transient Guest Tax for City of St. Roberts:

Officials of the **Department of Revenue** assume the provisions of Section 94.837 establishes a transient guest tax administered in total by the Department of Revenue. The department would have to have 2768 hours of programming or \$92,340 to establish a system to handle item taxes such as this one. In addition, although the volumes are unknown at this time, the department would potentially need 1.00 Tax Processing Technicians I for every 34,000 errors, 1.00 Tax Processing Technicians I for every 170,000 returns, and 1.00 Office Support Assistants for every 184,000 pre-edit returns processed.

In a similar proposal, officials of the **Department of Economic Development, Division of Tourism** assumed no fiscal impact.

Officials of the **City of St. Roberts** project that HB 1524 will increase the revenue of the city by instituting a transient guest tax to fund a small convention center and multipurpose center in the city. This center will help serve a growing need for a conference and convention center in the city and for the Fort Leonard Wood region. Based on our current hotel occupancy rates, the estimated revenue stream would be:

| <u>Fiscal Year</u> | <u>Estimated Revenue from transient guest tax</u> |
|--------------------|---|
| 2005 | \$100,000 |
| 2006 | \$206,000 |
| 2007 | \$212,000 |

St. Roberts is also projecting an increase in sales tax revenue of approximately \$60,000 per year or more generated by an increase in hotel room occupancy, restaurant and retail sales.

St. Roberts will generate additional administrative costs in addition to the cost to build, operate and maintain the convention and multipurpose facility. These costs will be targeted to match the anticipated revenues from the transient guest tax. Therefore, there should be no net fiscal impact to the City of St. Roberts beyond the additional sales tax revenue.

ASSUMPTION (continued)

Section 115.124 Elections- Community College Districts:

Oversight assumes that section 115.124 would allow Community College Districts to not hold elections for the positions of Board of Trustees if the election notice were published in accordance with Section 115.127 RSMo, and if the number of candidates who have filed for a particular office is equal to the number of positions in that office to be filled by the election. Oversight assumes the Community College District would save it's pro-rated costs of an election. The amount of savings is indeterminable, and will be shown as Unknown Savings.

Section 137.720 County Assessment Fund withholding:

In response to almost identical legislation of this session, the **State Tax Commission** stated that these section changes the percentage of ad valorem tax collections to be put in the County's Assessment Fund. These proposal would transfer local funds from one local political subdivision to another local political subdivision. Officials stated the amount of funds that will be transferred from the collection of taxes to the County Assessment Fund is \$3,466,901. A breakdown by county is available in the Office of Oversight.

Jasper County officials stated that this would be a revenue enhancer to counties becoming a county of the first class after September 1, 1997.

Oversight assumes that any additional income would be withheld from taxing authorities and the State's Blind Pension Trust Fund. The amount of withholdings on a statewide basis, from either Sections 137.720, is indeterminable. Oversight will show Income to counties Assessment Fund in an Unknown amount, and an equal Loss of Revenue to taxing authorities. Oversight will show an estimated minimal Loss of Revenue to the State's Blind Pension Fund. The amount of loss is indeterminable.

Section 221.070 - Greene County Sheriff - County Jail Processing Fee:

Oversight received no response from Greene County officials: Oversight assumes the fee would be collected by the Sheriff. The proposal does not indicate where the money is to be deposited, and for what purpose the fee is to be used. Oversight will show an Unknown amount of revenue to the Greene County Sheriff, from the processing fee. Oversight assumes the fee will be used to help defray the costs of housing the prisoner that paid the fee.

ASSUMPTION (continued)

Sections 260.830 and 260.831 - Johnson County Landfill Fees:

Oversight assumes there would be a transfer of landfill fees from the Economic Development Authority to the County's General Revenue Fund, which would result in a zero fiscal impact to Johnson County Funds.

Section 304.010 Authorizes certain class counties to regulate speed limits on county roads:

Officials of the **Missouri Department of Transportation** and the **Department of Public Safety- Highway Patrol** assume no fiscal impact.

Oversight assumes this is enabling legislation, as written, would have no fiscal impact unless the county's governing body would elect to initiate the regulation of county road speed limits.

Oversight assumes no fiscal impact.

Sections 393.760 : Joint Municipal Utility Commissions

In response to identical legislation, fiscal note 3185-01, the following fiscal impact statements were issued:

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of the **Department of Economic Development- Public Service Commission** and **Office of Public Counsel** assume no fiscal impact.

Officials of the **City of Florissant** assume no fiscal impact.

Officials of the **Little Blue Valley Sewer District** assume no fiscal impact to the District.

Officials of the **Platte County - Planning and Zoning Commission** assume no fiscal impact.

Officials of the **Office of Kansas City Manager** stated that cities which are members of a Joint Municipal Utility Commission and desired to issue a bond would realize some savings from election costs. Officials stated they would realize some cost of publishing a notice of a hearing. Costs for publishing notice of a hearing would be minimal. Savings that could be realized from not holding an election in Kansas City could be as much as \$300,000. Cost would depend on when the election is held.

ASSUMPTION (continued)

Oversight assumes there would be election cost savings which could be significant, and would depend upon the size of the municipalities involved. The amount of savings is Unknown.

Sections 644.581, 644.582, 644.583 Authorizes the Board of Fund Commissioners to issue bonds for environmental purposes:

Officials of the **Office of Administration- Budget and Planning** assume no fiscal impact to their division.

Officials of the **Office of Administration- Division of Accounting** assume the following:

- 1) There would be no bond issuance in FY 05 ;
- 2) There would be a \$45 million issuance in FY 06 using **existing** legislative authority;
- 3) There would be no bond issuance in FY 07; and
- 4) Bonds authorized by this proposal would not be issued prior to FY 08**

Officials of the **Department of Natural Resources** assume no fiscal impact. Officials stated that most bond issues have a 3 year lag from the date of authorization.

Section 488.447: Courthouse Restoration Fund - Cass County

Officials of the **Office of State Courts Administrator** stated that in FY 03 there were 4,086 civil cases filed in Cass County. Assuming a 90% collection rate, the total possible collected would be \$165,483.

Oversight assumes income would come from a surcharge of forty-five dollars placed on any civil case filed. Oversight assumes the surcharge monies would go into Cass County's Courthouse Restoration Fund, and would be used for purposes of restoration, maintenance, and upkeep of the courthouse.

Section 488.2275: Cass County Judicial Facility

Officials of the **Office of State Courts Administrator** assume no fiscal impact.

Oversight assumes Cass County would receive revenues generated by a surcharge of ten dollars as costs in each court proceeding filed in Cass County. Oversight assumes the income could only

ASSUMPTION (continued)

be appropriated for defraying costs associated with the County's Judicial Facility. Oversight assumes a zero fiscal impact. Oversight assumes costs would not exceed income.

Section 589.400- Greene County Sheriff: Sex Offender Registration Fee:

Oversight will show income to the Greene County Sheriff as Unknown. Oversight assumes the Sheriff is allowed to keep the fee. This proposal does not specify where the fee is to go.

Sections 644.581, 644.582, 644.583 Authorizes the Board of Fund Commissioners to issue bonds for environmental purposes:

Officials of the **Office of Administration- Budget and Planning** assume no fiscal impact to their division.

Officials of the **Office of Administration- Division of Accounting** assume the following:

- 1) There would be no bond issuance in FY 05 ;
- 2) There would be a \$45 million issuance in FY 06 using **existing** legislative authority;
- 3) There would be no bond issuance in FY 07; and
- 4) Bonds authorized by this proposal would not be issued prior to FY 08**

Officials of the **Department of Natural Resources** assume no fiscal impact. Officials stated that most bond issues have a 3 year lag from the date of authorization.

Section 321.552 - St. Charles County Fire Protection District : Sales Tax: Senate Amendment 4

Oversight assumes the Department of Revenue would collect the sales tax and would retain a 1% collection fee which would be deposited into the State's General Revenue Fund. Oversight does not know if a sales tax will be voted by the people of the fire district and at what rate. Therefore, Oversight assumes the amount of sales tax and collection fee is unknown. Oversight will show income to the St. Charles County Fire Protection District as Unknown. The amendment requires total property taxes be reduced annually by an amount equal to fifty percent of the previous year's revenue collected from the sales tax.

Section 229.340 : Right-of -Way Management Fee - Counties:

Officials of the **Department of Transportation** assume no fiscal impact.

ASSUMPTION (continued)

Officials of the **Jasper County Commission** stated this proposal would be positive in that it would allow counties to recoup right-of-way management costs.

Sections 190.300 to 190.430 and 650.330 - Emergency Services 911: Senate Amendment 7

In response to similar legislation (fiscal note 2639-02) Officials of the **Economic Development - Public Service Commission (PSC)** assume no fiscal impact. PSC anticipates that this proposal will only have an affect on PSC if the wireline companies in counties, or cities not within counties, modify their tariffs to incorporate a reference to the approved tax that would appear on consumer bills. If tariff revisions are submitted, PSC would complete the standard review and/or approval process that is completed with all tariff revisions.

Officials of the **Department of Revenue, Department of Economic Development - Public Counsel, Office of the State Auditor, Department of Public Safety, Missouri Highway Patrol, and State Treasurer** assume no fiscal impact.

Officials of the **Office of the Secretary of State (SOS)** assume this proposal could require additional pages in the Missouri Register and the Code of State Regulations. Officials estimate costs of printing and publication at \$246 in FY 2005.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials of the **Office of Administration (COA)** assume twenty percent (20%) of the taxes collected for wireless services shall be forwarded to the State Treasurer and deposited in the State's 911 Emergency Services Fund. Monies in this fund will then be used for matching grants to counties for implementing a statewide 911 system. The 911 Emergency Services Fund will be administered by the Office Of Administration in consultation with the Department of Public Safety.

COA assumes two Telcom Analysts would be needed to establish grant guidelines and rules, review progress of county projects, meet with counties and establish standards, and decide on grantees. Staff would need to work with service providers, counties, other state agencies, and equipment providers to ensure a seamless and comprehensive Statewide 911 Emergency Network that assures Missouri citizens the emergency services envisioned by this legislation.

ASSUMPTION (continued)

COA assumes that implementation of this legislation will not require the 2 analysts identified in this fiscal note until the last quarter of FY05. This is due to the fact that counties have to submit the 911 propositions to a vote and it is estimated that this would not be completed until last quarter of FY05. Also, COA assumes that the Office of Administration would not be responsible for ensuring wireless providers are remitting all 911 taxes collected to the counties. It is further assumed that the Office of Administration would not be responsible for ensuring 911 taxes collected by counties are only spent on 911 system implementation.

Oversight assumes this proposal is enabling legislation to the extent that this proposal does not require, but would allow a city not within a county or a county's governing body to place on the ballot the provisions contained in this proposal. This proposal, as written, would have no fiscal impact, however, this fiscal note is written assuming counties would levy the tax provided for and would conduct the emergency services required.

The County Commissions of Jefferson, Greene, Boone, Callaway, Cass, Clay, Platte, Cape Girardeau and St. Louis, and the City of St. Louis did not respond to our fiscal note request.

Section 393.015 - Sewer Districts, Water Districts, Agreements : Senate Amendment 9

In response to similar legislation (fiscal note 3432-02) the following fiscal impact statements were made:

Officials of the **Office of State Court Administrator** assume there would be no fiscal impact to the Courts.

Officials of the **Department of Economic Development - Public Service Commission** stated they would have no fiscal impact.

Officials of the **Department of Economic Development - Office of Public Counsel** stated this proposal would have no fiscal impact.

Officials of the **Department of Natural Resources** assume no fiscal impact.

Officials of the **Little Blue Valley Sewer District** assume no fiscal impact.

Officials of the **Kansas City Manager's Office** assume no fiscal impact.

ASSUMPTION (continued)

Officials of the **City of Springfield - Office of City Manager** assume no fiscal impact.

Section 190.331: Political Subdivisions - Employees

In response to similar legislation, (fiscal note 4781-01), the following statements were made.

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials with the **Local Government Employees' Retirement and County Employees' Retirement System** assume no fiscal impact to their agency.

Sections 701.304 - 701.342 : Lead Abatement (Senate Amendment 12)

Officials of the Department of Health did not respond. Oversight assumes cost could exceed \$100,000 annually. When Department of Health responds this fiscal note will be updated. Officials of the Department of Social Services stated they have no fiscal impact.

| <u>FISCAL IMPACT - State Government</u> | FY 2005 (10 Mo.) | FY 2006 | FY 2007 |
|--|-----------------------------|----------------|----------------|
| GENERAL REVENUE FUND | | | |
| <u>Income</u> to Department of Revenue 1% sales tax collection fee (section 67.799) | Unknown | Unknown | Unknown |
| <u>Income-</u> to Department of Revenue 1% sales tax collection fee. (section 67.2000) * | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| <u>Income</u> to Department of Revenue 1% sales tax collection fee (Section 321.552 SA # 4) | Unknown | Unknown | Unknown |

| | | | |
|---|-----------------|-----------------|-----------------|
| <u>Transfer In</u> - from 911 Fund (Sections 190.300 - 190.430 Senate Amendment 7) | \$21,728 | \$89,082 | \$91,309 |
|---|-----------------|-----------------|-----------------|

| | | | |
|---|-----------------------------|-----------------------------|-----------------------------|
| <u>Transfer out</u> – to State School Moneys Fund (Section 50.550 etal.) | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
|---|-----------------------------|-----------------------------|-----------------------------|

Cost - Office of Administration

| | | | |
|--------------------------------|--------------------------|--------------------------|--------------------------|
| Personal Service (2 FTE) | (\$15,366) | (\$63,000) | (\$64,575) |
| Fringe Benefits | (\$6,362) | (\$26,082) | (\$26,734) |
| Equipment and Expense | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Total Cost</u> - COA | <u>(\$21,728)</u> | <u>(\$89,082)</u> | <u>(\$91,309)</u> |

| | | | |
|---|------------|------------|------------|
| Estimated Net Effect of Senate Amend. 7 | \$0 | \$0 | \$0 |
|---|------------|------------|------------|

**Cost to Department of Revenue
(Section 94.837)**

| | | | |
|--|---------------------------|---------------------------|---------------------------|
| Personal Services (3.0 FTE) | (\$54,622) | (\$67,185) | (\$68,865) |
| Fringe Benefits | (\$22,614) | (\$27,815) | (\$28,510) |
| Equipment | (\$19,956) | \$0 | \$0 |
| Expense | (\$5,870) | (\$7,094) | (\$7,307) |
| Programming (Section 94.837) | (\$92,340) | \$0 | \$0 |
| Programming (Section 67.799) | (\$23,085) | \$0 | \$0 |
| Programming (Section 67.2000) | <u>(\$23,085)</u> | <u>\$0</u> | <u>\$0</u> |
| Total Cost to Department of Revenue | <u>(\$241,572)</u> | <u>(\$102,094)</u> | <u>(\$104,682)</u> |

| | | | |
|--|--|--|--|
| ESTIMATED NET EFFECT ON GENERAL REVENUE * | <u>Unknown to (Unknown)</u> | <u>Unknown to (Unknown)</u> | <u>Unknown to (Unknown)</u> |
|--|--|--|--|

* This proposal does not have a response from Dept. of Health on the lead abatement program. Oversight assumes annual fiscal impact would exceed (\$100,00).

BLIND PENSION TRUST FUND

| | | | |
|--|-------------------------|-------------------------|-------------------------|
| <u>Loss of Revenue</u> to Blind Pension Trust Fund (Sections 137.720 and 137.721) | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|--|-------------------------|-------------------------|-------------------------|

**ESTIMATED NET EFFECT TO
 BLIND PENSION TRUST FUND
 STATE SCHOOL MONEYS FUND**

Transfer in – from General Revenue Fund (Unknown) (Unknown) (Unknown)
 \$0 to Unknown \$0 to Unknown \$0 to Unknown

Costs – transfer to local school districts
 (Section 50.550 etal.) \$0 to (Unknown) \$0 to (Unknown) \$0 to (Unknown)

**ESTIMATED NET EFFECT ON
 STATE SCHOOL MONEYS FUND** \$0 \$0 \$0

FEDERAL FUNDS

Income - Department of Social Services
 Federal Assistance (Senate Amend. 12) \$0 \$1,013,179 \$2,117,544

Costs - Department of Social Services
 Program Costs \$0 (\$1,013,179) (\$2,117,544)

**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS*** \$0 \$0 \$0

FISCAL IMPACT - Local Government FY 2005 FY 2006 FY 2007
 (10 Mo.)

**COUNTY LAW ENFORCEMENT
 RESTITUTION FUND**

Income to Law Enforcement Restitution Fund
 Court ordered payment Unknown Unknown Unknown

Cost to Law Enforcement Restitution Fund

| | | | |
|--|-------------------|-------------------|-------------------|
| Law Enforcement programs | (Unknown) | (Unknown) | (Unknown) |
| ESTIMATED NET EFFECT TO COUNTY LAW ENFORCEMENT RESTITUTION FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

**SCHOOL DISTRICTS (Sec. 50.550
etal.)**

| | | | |
|---|---------------------|---------------------|---------------------|
| <u>Income</u> – to Certain School Districts from State’s School Aid Formula | \$0 to Unknown | \$0 to Unknown | \$0 to Unknown |
| <u>Loss</u> – to Certain School Districts from reduction in fines | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| ESTIMATED NET EFFECT TO CERTAIN SCHOOL DISTRICTS * | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

**CERTAIN COUNTIES EXHIBITION
CENTER AND RECREATION
FACILITY DISTRICT FUND**

| | | | |
|--|---------------------|---------------------|---------------------|
| <u>Income</u> - _to Exhibition Center and Recreation Facility Fund (67.2000) | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| <u>Costs</u> - to Exhibition Center and Recreation Facility Fund (67.2000) | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| ESTIMATED NET EFFECT TO EXHIBITION CENTER AND RECREATION FACILITY FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| | | | |
|---|------------------------------|------------------------------|------------------------------|
| <u>Savings</u> - to Certain Counties from postponing class change (Sections 48.020 and 48.030) | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> | <u>\$0 to Unknown</u> |
|---|------------------------------|------------------------------|------------------------------|

Savings to Community College Districts
 from election costs (Section 115.124)

Unknown Unknown Unknown

Income - to Boone and Jasper County
 General Revenue Fund
 from fines (Section 49.272)

\$0 or Unknown \$0 or Unknown \$0 or Unknown

Costs - to Certain Counties
 from speed limit signs (Section 304.010)

\$0 or
(Unknown) \$0 or
(Unknown) \$0 or
(Unknown)

COUNTIES ASSESSMENT FUND

Income to County Assessment Funds
 additional withholdings from taxing
 authorities (Sections 137.720 and
 137.721)

\$3,466,901 \$3,466,901 \$3,466,901

LOCAL TAXING AUTHORITIES

Loss of Revenue to Taxing Authorities
 from additional withholdings for County
 Assessment Funds (Sections 137.720 and
 137.721)

(\$3,466,901) (\$3,466,901) (\$3,466,901)

COUNTY OF ST. CHARLES

Income to Theater, Cultural Arts, and
 Entertainment District Fund from local
 sales tax (Sections 67.2500-67.2530)

Unknown Unknown Unknown

Cost to Entertainment District for
 programs

(Unknown) (Unknown) (Unknown)

**ESTIMATED NET EFFECT TO
 LOCAL GOVERNMENT***

\$0 \$0 \$0

CITY OF ST. ROBERTS

| | | | |
|--|-----------|-----------|-----------|
| <u>Income</u> from transient guest tax (Section-94.837) | \$100,000 | \$206,000 | \$212,000 |
|--|-----------|-----------|-----------|

| | | | |
|---|--------------------|--------------------|--------------------|
| <u>Cost</u> to city for convention/multipurpose center | <u>(\$100,000)</u> | <u>(\$206,000)</u> | <u>(\$212,000)</u> |
|---|--------------------|--------------------|--------------------|

| | | | |
|--|-------------------|-------------------|-------------------|
| ESTIMATED NET EFFECT TO LOCAL GOVERNMENT* | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|-------------------|-------------------|-------------------|

GREENE COUNTY SHERIFF

| | | | |
|---|---------|---------|---------|
| <u>Income</u> to Greene County Sheriff (Section 221.070) from processing fee | Unknown | Unknown | Unknown |
|---|---------|---------|---------|

| | | | |
|--|------------------|------------------|------------------|
| <u>Cost</u> to Greene County Sheriff prisoner housing costs | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|--|------------------|------------------|------------------|

| | | | |
|--|-------------------|-------------------|-------------------|
| ESTIMATED NET EFFECT TO GREENE COUNTY SHERIFF | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|-------------------|-------------------|-------------------|

**ST. CHARLES COUNTY
 AMBULANCE OR FIRE
 PROTECTION DISTRICT**

| | | | |
|---|---------|---------|---------|
| <u>Income</u> - to ambulance or fire protection district from voter approved sales tax (Section 321.552) | Unknown | Unknown | Unknown |
|---|---------|---------|---------|

**CASS COUNTY COURTHOUSE
 RESTORATION FUND
 (Section 488.447)**

| | | | |
|--|--------------------|--------------------|--------------------|
| <u>Income</u> to Cass County Courthouse Restoration Fund | | | |
| from surcharge on civil case filings | \$137,903 | \$165,483 | \$165,483 |
| <u>Cost</u> to Cass County Courthouse Restoration Fund | | | |
| for maintenance, restoration, retiring bonds for courthouse repair etc. | <u>(\$137,903)</u> | <u>(\$165,483)</u> | <u>(\$165,483)</u> |
| ESTIMATED NET EFFECT TO CASS COUNTY COURTHOUSE RESTORATION FUND * | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

JOHNSON COUNTY FUNDS

| | | | |
|--|-------------------|-------------------|-------------------|
| <u>Income</u> to Johnson County General Revenue Fund (Sections 260.830 and 260.831) | Unknown | Unknown | Unknown |
| from transfer of landfill fees | | | |
| <u>Loss of Revenue</u> to Johnson County Economic Development Authority | | | |
| from transfer of landfill fees to County General Revenue Fund | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT TO JOHNSON COUNTY FUNDS | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

CERTAIN POLITICAL SUBDIVISIONS

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| <u>Savings</u> to Certain Political Subdivisions election costs (Section 393.760) | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |
| ESTIMATED NET EFFECT TO LOCAL GOVERNMENT* | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |

***Savings** would depend upon the size of the district.

| | | | |
|--|-------------------|-------------------|-------------------|
| Cost to 911 Emergency Services Fund for Providing Emergency Services | (Unknown) | (Unknown) | (Unknown) |
| Transfer Out - to COA GR Fund | <u>(\$21,728)</u> | <u>(\$89,082)</u> | <u>(\$91,309)</u> |
| TOTAL ESTIMATED NET EFFECT TO EMERGENCY SERVICES FUND* | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Assumes unknown income will be disbursed for costs to COA and then for emergency service costs. | | | |

| | | | |
|---|---------------------------------|---------------------------------|---------------------------------|
| ESTIMATED NET EFFECT TO LOCAL GOVERNMENT | <u>Unknown to (Unknown)</u> | <u>Unknown to (Unknown)</u> | <u>Unknown to (Unknown)</u> |
|---|---------------------------------|---------------------------------|---------------------------------|

FISCAL IMPACT - Small Business

Small business located in any county or city that would receive voter approval to impose a sales tax or a transient guest tax would have fiscal or administrative impact from collection and administration of the tax.

DESCRIPTION

This act modifies the classification of counties. The assessed valuation necessary to qualify as a first class county is increased from the current \$450 million to \$600 million. The assessed valuation necessary to qualify as a second class county is increased from the current \$300 million to \$450 million. No county will move to a lower classification than its current classification as a result of the changes in the assessed valuation requirement, however, such a county may move to a lower classification after five years at a level below the requisite amount for the counties current classification (Section 48.020 & 48.030).

The act allows any county that has the requisite assessed valuation to become a first class county to choose to do so upon an affirmative vote of the county's governing body, even though the county has not had such valuation for five successive years as required under current law (Section 48.030).

DESCRIPTION continued

The act authorizes Jasper and Cass County to adopt rules, regulations, or ordinances to impose a civil fine of not more than \$1000 per violation for certain misdemeanors. The appointed county counselor prosecutes such violations. Fines collected pursuant to this act shall be paid into the county general fund to be used to pay for the cost of enforcement of such offenses. Currently, only Boone County has such authorization (Section 49.272).

The act adjusts the compensation of annual salary for the county recorder of deeds, clerk, auditor, county commissioner, collector, treasurer, assessor or salaried public administrator in non-chartered counties of the first classification (Section 50.343)

This act authorizes county commissions to establish by ordinance or order a "County Law Enforcement Restitution Fund", which shall be under the supervision of a board of trustees with certain requirements for the composition of membership. The money in the fund can only be used for certain law enforcement purposes such as narcotics investigation, prevention, and intervention, the purchase of equipment, and other related expenses. The county commission may not reduce an law enforcement agency's budget as a result of money that it receives from the fund (Section 50.550 and 50.565).

The act authorizes county treasurers in counties of the third and fourth classification to issue payroll checks before the filing of the county budget estimates (Section 50.740).

The act requires the County Commissioner and the County Highway Engineer to serve on the County Planning Board in a non-voting, advisory role in Cass County (Section 64.215).

The act allows flexibility in the type of security that may be accepted in lieu of full completion of required infrastructure improvements in subdivisions prior to the plat being recorded by allowing securities beyond surety bonds (e.g. cash bonds) (Section 64.825).

The act allows Cole, Boone and Jefferson counties to enact ordinances to provide for the abatement of trash and derelict equipment (as well as overgrown or noxious weeds in residential subdivisions) which may endanger public safety to be a public nuisance (Section 67.402).

DESCRIPTION continued

Current law enables the creation of regional recreation districts. This act would permit a county to establish a regional recreation district on undeveloped property if all persons owning property within the proposed district consent and there are no eligible qualified voters residing within the district. Otherwise, the eligible and qualified voters of the district would approve the formation of the district by a public vote. The act also permits a sales tax to be submitted for a vote for the district under similar terms as above. (Sections 67.793, 67.799)

This Section assigns the sole duty of the metropolitan district to the development, operation and maintenance of a public system of interconnecting trails and parks. This act goes on to state that the district shall not substitute for the powers and responsibilities of other conservation and environmental regulatory agencies. Finally, this act specifically states that nothing in the statute shall authorize the district to regulate water quality, watershed or land use issues in the counties comprising the district. (Section 67.1706)

This act creates the "Exhibition Center & Recreation Facility District Act". The act enables citizens of Jefferson, Camden, Miller, Morgan, Jasper, Newton, Buchanan and Wright counties to petition to create an exhibition center & recreation facility district. At least fifty property owners in the county must sign the petition.

The petition must include the petitioners names, a description of the district's boundaries, and the name of the proposed district. Once the petition is filed, the governing body may approve a resolution to create the district. Following a public hearing, the governing body may adopt an order establishing the proposed district.

A board of trustees is created to administer any district created and the expenditure of revenue that accompanies such district. The governing body of each county within the district shall appoint four residents from the portion of the county within the district to serve on the board. At least one member of the board shall be the owner of a business in the district and at least one member shall be the owner of a lodging facility in the district; such members may or may not live in the district. The remaining two members must reside in the district. The board will have the power to have a seal, sue and be sued, enter into contracts or other agreements affecting the affairs of the district, to borrow money, to issue bonds, to acquire and dispose of real and personal property, to refund bonds without an election, to manage the affairs of the district, to hire agents, and to amend and adopt bylaws.

The district may submit to its voters a sales tax of one- quarter of one percent. The act includes ballot language to that effect. The act also includes the creation of a fund to receive such sales tax revenue and instructs the director of revenue to authorize disbursements to the district. The act

DESCRIPTION

allows for an extension of the tax if the extension is approved by the voters in the district.

Current law enables the creation of regional recreation districts. This act would permit Boone county to establish a regional recreation district on undeveloped property if all persons owning property within the proposed district consent and there are no eligible qualified voters residing within the district. Otherwise, the eligible and qualified voters of the district would approve the formation of the district by a public vote. The act also permits a sales tax to be submitted for a vote for the district under similar terms as above.

The act assigns the sole duty of the metropolitan district to the development, operation and maintenance of a public system of interconnecting trails and parks. This amendment goes on to state that the district shall not substitute for the powers and responsibilities of other conservation and environmental regulatory agencies. Finally, this amendment specifically states that nothing in the statute shall authorize the district to regulate water quality, watershed or land use issues in the counties comprising the district (Section 67.1706).

The act establishes the Theater, Cultural Arts and Entertainment District Act for St. Charles County (Sections 67.2500 - 67.2530).

The act allows the City of St. Roberts to impose, upon voter approval, a room tax of not more than 5% per night. This tax will be in addition to any other tax authorized by law and will be used for the purpose of funding the construction, maintenance, and operation of a convention and multipurpose center (Section 94.837).

The act removes boards of trustees of community college districts from the exception authorizing candidates in certain situations to assume responsibilities of a position without an election (Section 115.124).

The act changes the percentage of property tax collections that are deposited in the respective county assessment funds, based upon county classifications. The amendment requires the State Tax Commission to conduct a study to determine the impact of the increased fees on assessed valuation. These changes shall expire on December 31, 2009 (Section 137.720)

The proposal reenacts most sections included in SB 1107 (2002) concerning emergency services (Various Sections).

The act clarifies that a municipality in Christian County may continue to operate an emergency telephone service in the event the county also establishes a service or has been reclassified into a

DESCRIPTION continued

higher classification (Section 190.306).

The act allows the Greene County jail to collect a fee from those being arrested and processed (Section 221.070).

The act allows landfill fees in Johnson County will go into the County General Revenue Fund instead of being dedicated to use by the Industrial Development Authority (Section 260.830 & 260.831).

The act states that the maximum speed limit set by the county commission in counties of the 2nd, 3rd or 4th classification shall not exceed fifty-five miles per hour if such road is properly marked. If the road is not properly marked, the speed-limit shall be fifty miles per hour (Section 304.010).

The act authorizes counties of the second, third, or fourth classification to set by ordinance countywide speed limits on roads within the county which are maintained by the county (Section 304.010).

The act provides an alternative method for issuing certain utilities revenue bonds. Current law requires that the issuance be put to a vote of the people. With this amendment, for the purposes of purchasing or leasing, constructing, installing, and operating reservoirs, pipelines, wells, check dams, pumping stations, water purification plants, and other facilities for the production, wholesale distribution, and utilization of water, the municipal water commission may provide for a vote by the governing body of each contracting municipality. Such vote shall require the approval of three-quarters of all governing bodies of the contracting municipalities. The commission must receive an engineers report, and provide a public hearing prior to the issuance (Section 393.760).

Under current law, a surcharge of \$45 is collected in civil case filings in the City of St. Louis circuit court system, to be used only for courthouse restoration. This act authorizes Cass County to collect this surcharge (Section 488.447).

The proposal allows Cass County to issue an additional \$10 surcharge on all criminal cases (Section 488.2275).

The proposal authorizes the use of money from the "Inmate Security Fund" to be used for the maintenance of the biometric verification system, and to pay for any expenses related to custody and housing and other expenses for prisoners (Section 488.5026).

DESCRIPTION continued

This act allows the court to order payment to a statutorily created fund for costs incurred as a result of an offender's actions. The performance of free work ordered by the court may be performed for offender treatment programs, work release programs in local facilities, and community-based residential and nonresidential programs (Section 559.021).

The proposal requires sexual offenders in Greene County to pay a fee for registering and updating information as a sexual offender (Section 589.400).

This act establishes that the court may specifically order payment to a county law enforcement restitution fund, but such contribution shall not exceed \$300 and can only be used for the purposes provided for in statute. A judge may only order payment to a fund if it has been created by ordinance or resolution and cannot have authority or control over the fund. This act requires a hearing before a person's probation can be revoked for failure to pay to the fund (Section 559.021).

In addition to amounts authorized prior to August 28, 2004, this act authorizes the Board of Fund Commissioners to issue bonds for grants and loans pursuant to several sections of Article III of the Missouri Constitution. The authorizations are for:

- (1) \$10 million of bonds for waste water pollution control, drinking water system improvements, and storm water control pursuant to Section 37(e) (Section 644.581).;
- (2) \$10 million of bonds for rural water and sewer projects pursuant to Section 37(g) (Section 644.582).; and
- (3) \$20 million of bonds for storm water control plans, studies, and projects in first classification counties and the City of St. Louis pursuant to Section 37(h) (Section 644.583).

The proposal deletes Section 190.044, RSMo, regarding the double taxation of ambulance and fire protection districts.

Sections 48.020 and 48.030 have an emergency clause.

Senate Amendment 2 allows Greene County to charge a fee upon being arrested and processed at the county jail.

Senate Amendment 3 is similar to SB 1183 from this year. In accordance with that act, cities and towns may only impose requirements for the posting of bonds or escrows for

DESCRIPTION continued

subdivision-related improvements. In lieu of completion of work and installations prior to the final approval of a plat, the council will accept, at the option of the developer, an escrow secured with cash, an escrow secured with an irrevocable letter of credit, or a surety bond.

Under the amendment, regulations shall provide that in the event a developer, who has posted a bond or an escrow with the city, transfers title of the subdivision property prior to full release, the municipality will accept a replacement escrow from the successor. The city will accept a replacement in the amount held by the city at the time of the property transfer. Upon receiving the replacement escrow, the city shall fully release the original escrow or bond and the prior developer from all obligations associated with the subdivision improvements.

This amendment includes "bond amount" where the statute previously referred only to "escrow funds."

Senate Amendment 4 allows Saint Charles County to impose a sales tax for an ambulance or fire protection district by a vote of the people.

Senate Amendment 5 deals with special road excavation user permit fees imposed by counties.

Senate Amendment 6 allows all initial easement recording fees necessary to establish a water district created after the effective date of this proposal shall be payable at such time when the district is awarded grants or loans necessary for the construction of such district.

Senate Amendment 7 allows county governing bodies to submit to its voters one of three ballot measures that provide for the operation of an emergency telephone service. The amendment makes provisions for the disclosure and review of the financial aspects of the service. The amendment creates the 911 Emergency Services Fund within the State Treasury, which shall be administered by the Office of Administration in consultation with the Department of Public Safety.

Senate Amendment 8 removes the exemption of Kansas City municipal judges from the direction and supervision by the circuit court.

Senate Amendment 9 modifies Section 393.015, RSMo, first by enabling water companies to contract with sewer providers to terminate water services to any water user who has not paid a sewer bill.

DESCRIPTION continued

The amendment awards immunity from civil liability to any water company disconnecting service at the behest of a sewer company via a water termination agreement.

The amendment allows sewer companies to file a request with the Public Service Commission (PSC) if the request made to the water company has not been honored within the six-month time frame. The PSC would then draft such an agreement between the two companies. Under this act, three commissioners shall be appointed by the companies to draft the termination agreement.

The provisions in any water termination agreement drafted by the PSC are as follows:

- The rules and regulations of the sewer provider shall provide the number of delinquent days that are required before water service is discontinued for failure to pay a sewage bill.
- The sewer provider must first provide written notice to the water provider before service is discontinued - that notice shall include both the date and amount due on the delinquent bill.
- All reasonable expenses incurred by the water provider in carrying out the water termination agreement shall be reimbursed by the sewer provider.
- Water companies carrying out these agreements shall be held harmless as a result of carrying out the agreement. Related costs to the water provider shall be recalculated annually.
- Payments received as a result of these agreements shall be received by the water company before service is restored. If service is never restored, any amount collected for delinquent accounts shall be equally divided between the water and sewer companies.

This amendment allows both the sewer and water companies to present evidence and information to the PSC before such an agreement is drafted, provided each company receive prior notice of the hearing from the PSC. Once an agreement is drafted under this act, the PSC shall submit the agreement to the appropriate circuit court and a decision as to the approval of said agreement shall be issued therein. If an agreement is not approved, the PSC shall then submit a revised agreement to the court for reconsideration. All court decisions are subject to appeal and all costs incurred in the process shall be paid by the sewer provider requesting the agreement.

Senate Amendment 10 removes the owner from liability from paying a tenant's or other occupant's sewer and water bill. Under the current law, it is deemed that sewer and water services are furnished to both the owner and occupant of the place that receives the services. The current law allows the city or sewer district to sue either the owner of the place or its occupant to recoup

DESCRIPTION continued

the costs of providing the services. This amendment states that the city or sewer district can only sue the occupant for such services.

Senate Amendment 11 provides that a joint municipal public safety communications is a political subdivision and its employees will be considered eligible for membership in the Missouri Local Government Employees' Retirement System.

Senate Amendment 12 deals with lead abatement, including inspections, fines, lead abatement contractors, and possible subsequent penalty provisions (up to a D felony).

Senate Amendment 13 revises the language in the proposal regarding payment of restitution to a county law enforcement restitution fund.

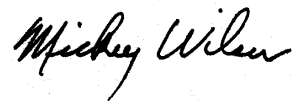
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Treasurer
Office of State Auditor
Office of Secretary of State
Department of Conservation
Missouri Consolidated Health Care Plan
Office of State Public Defender
Department of Health and Senior Services
Department of Social Services- Medical Services
Department of Economic Development
Department of Transportation
Department of Revenue
Department of Corrections
Office of State Court Administrator
Department of Elementary and Secondary Education
Department of Natural Resources
State Tax Commission
Department of Public Safety - State Highway Patrol

SOURCES OF INFORMATION continued

Office of Administration
St. Louis City
Jasper County Commission
Franklin County Commission
St. Louis County
City of St. Roberts
City of Florissant
Little Blue Valley Sewer District
Platte County Planning and Zoning Commission
Kansas City Manager
City of Springfield



Mickey Wilson, CPA
Director
March 15, 2004