

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 3430-01
Bill No.: SB 951
Subject: Political Subdivisions: Contracts
Type: Original
Date: January 26, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Secretary of State** assume no fiscal impact.

Kansas City officials assume some savings would be realized. Officials stated the amount of savings would be dependent upon the number of cooperative agreements to which the City would be a party. Officials assume some administrative savings from not having to have someone go and record the transactions. Officials believe savings would be minimal.

City of Independence officials assume this proposal would have a positive impact to the City. Officials estimate the savings to range from \$27 to \$527 annually, depending upon the number of contracts.

City of Fulton officials stated that this proposal will save money annually, in recording fees, staff time, copying, and mailing costs.

City of Rolla officials assume this proposal would save the City the costs associated with filing contracts, labor costs associated in time. Officials estimate the annual savings at as much as \$4,000.

DESCRIPTION continued

Jefferson County officials stated this proposal would save the county staff time, and supplies involved in copying, and filing fees. Officials did not estimate annual costs savings.

The **Greene County Recorder of Deeds** stated this proposal would have no fiscal impact on any funds, or their office. Officials stated “the procedure for filing contracts with the Recorder of Deeds has not been adhered to in the past”.

Callaway County Recorder of Deeds assume no fiscal impact.

Oversight for the purposes of this fiscal note assumes that political subdivisions would have some administrative savings and savings in time and filing fees with the proper authorities. The Recorder of Deeds would realize some administrative savings in time and would realize a minimal loss in revenue from contracts not being filed. According to one Recorder of Deeds the practice of contracts being filed was never adhered to, therefore, Oversight will show some savings and a loss of revenue to certain Recorder of Deeds, and a Savings to those political subdivisions that adhered to the law. Both loss of revenue and savings in filing fees being equal, the net fiscal impact to local government would be \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007

LOCAL GOVERNMENT

Savings - to political subdivisions
from Recorder of Deeds filing fees, labor costs, etc. \$0 or Unknown \$0 or Unknown \$0 or Unknown

Loss of Revenue - to Recorder of Deeds
from repeal of requirement for political subdivisions to file contracts \$0 or
(Unknown) \$0 or
(Unknown) \$0 or
(Unknown)

**ESTIMATED NET EFFECT TO
LOCAL GOVERNMENT**

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

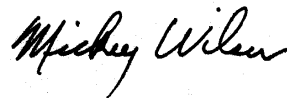
DESCRIPTION

The act eliminates the requirement that political subdivisions must file a copy of their contracts with the Secretary of State and the Recorder of Deeds in the county where each contracting political subdivision is located.

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

Secretary of State
Kansas City Manager's Office - City Counselor
City of Independence
City of Fulton
City of Rolla
Jefferson County Counselor
Greene County Recorder of Deeds
Callaway County Recorder of Deeds



Mickey Wilson, CPA
Director
January 26, 2004