

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3777-01
Bill No.: SB 1037
Subject: Cities, Towns, and Villages; Fees; Utilities
Type: Original
Date: January 21, 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	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development, Public Service Commission (PSC)** and the **Office of the Public Counsel (OPC)**, **Missouri Department of Conservation**, and the **Office of Administration, Design & Construction** state this bill does not significantly affect their agencies.

Officials of the **Department of Natural Resources (DNR)** assume this act modifies Section 67.1846, RSMo, allowing franchise fees to be used as credits for any public utility right-of-way users along with business license taxes or gross receipts taxes. DNR would not anticipate a direct fiscal impact from this proposal.

Department of Transportation officials assume this proposal would not fiscally impact their agency.

Officials from the **City of Springfield** assume this bill will impact revenues for cities and counties. It requires for the first time a credit for franchise fees paid against franchise fees. Franchise fees are the rental paid to cities for use of their rights-of-way. Springfield does not have a linear foot charge like the one the statute is speaking of and would not be impacted by this legislation.

ASSUMPTION (continued)

The **City of Kansas City (CKC)** officials state CKC is not a grand-fathered political subdivision within the terms of proposed Section 67.1846, RSMo. Therefore, the legislation does not affect CKC, and no revenue would be received or costs incurred by passage of this bill.

The **City of St. Louis** and the **County of St. Louis** did not respond to our fiscal note request.

Oversight will show the impact of this legislation as a negative unknown to various cities and counties.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<u>Loss - Various cities and counties</u>			
Credit for franchise fees	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
TOTAL ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal allows credit for franchise fees paid by a public utility right-of-way user to a political subdivision. Under current law, credit is only allowed for business license taxes and gross receipts taxes.

DESCRIPTION (continued)

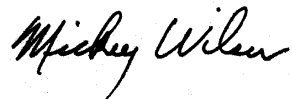
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of the Public Counsel
Department of Natural Resources
Department of Transportation
Missouri Department of Conservation
Office of Administration
Design & Construction
City of Springfield
Kansas City

NOT RESPONDING:

City of St. Louis
County of St. Louis



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Director
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