

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1619-03  
Bill No.: HCS for SB 364  
Subject: Political Subdivisions; Taxation and Revenue - Property  
Type: Original  
Date: May 13, 2015

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Bill Summary: This proposal modifies provisions relating to political subdivisions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	(More than \$100,000)	(More than \$175,600)	(More than \$100,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(More than \$100,000)</b>	<b>(More than \$175,600)</b>	<b>(More than \$100,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 18 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Worker's Compensation	(\$151,245)	(\$151,245)	(\$151,245)
Second Injury Fund	(\$907,469)	(\$907,469)	(\$907,469)
School District Trust	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Parks, and Soil and Water	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Conservation Commission	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(More than \$1,158,714)</b>	<b>(More than \$1,158,714)</b>	<b>(More than \$1,158,714)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
UI Administration Fund	\$0 or (\$38,000,000)	\$0 or (\$38,000,000)	\$0 or (\$38,000,000)
Wagner Peyser Fund	\$0 or (\$12,000,000)	\$0 or (\$12,000,000)	\$0 or (\$12,000,000)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0 or (\$50,000,000)</b>	<b>\$0 or (\$50,000,000)</b>	<b>\$0 or (\$50,000,000)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 49.130

In response to a similar proposal from this session, SB 539, Oversight received the following responses:

Officials at the **Office of the State Courts Administrator** and the **Department of Revenue (DOR)** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **St. Louis County**, the **Platte County Board of Election Commission** and the **Callaway County Commission** each assume no fiscal impact to their respective entities from this proposal.

#### Section 67.410

In response to a similar proposal, SB 387, **Oversight** assumes this proposal modifies provisions required to be in nuisance abatement ordinances enacted by municipalities and counties. Oversight assumes actions by a governing body by ordinance could result in unknown costs to local political subdivisions. Costs to repair and maintain structures that are declared to be a nuisances are to be added to the annual real estate taxes of the property. It is possible that the taxes would not be paid in the same year the costs were expense by the local political subdivision. Therefore, Oversight will reflect a \$0 or unknown cost for local political subdivisions. Oversight assumes any recovery of real estate taxes will go beyond this fiscal note period and would be an unknown positive.

#### Section 92.402

In response to a similar proposal from this session, HB 739, officials from the **City of Kansas City** assumed the proposal would maintain revenues from the public mass transportation sales tax in the following amounts.

Fiscal Year 2016: \$12,166,667 (period of 1/1/16 to 4/30/16)  
Fiscal Year 2017: \$36,500,000  
Fiscal Year 2018: \$36,500,000

**Oversight** has no independent information regarding transportation sales tax revenues and will assume for fiscal note purposes the City of Kansas City response is the best available estimate of the impact of this proposal.

ASSUMPTION (continued)

**Oversight** notes that current provisions would let a portion of the sales tax expire on December 31, 2015 (FY 2016) and the proposal would extend the sales tax indefinitely. If the sales tax expired, the revenue reduction for the City of Kansas City from January 1, 2016 to June 30, 2016 (FY 2016) would be  $(\$36,500,000 \times 6/12) = \$18,250,000$  (disregarding reporting and distribution delays), and the fiscal impact of this proposal for FY 2017 and FY 2018 would be \$36,500,000 per year. Oversight will include these amounts in this fiscal note.

For simplicity, **Oversight** will not include any impact for the Department of Revenue's collection costs. Oversight will also assume that all or substantially all of the sales tax revenues would be expended on transportation costs and will so indicate in this fiscal note.

Officials from the **Joint Committee on Administrative Rules**, the **Jackson County Election Board**, and the **Platte County Board of Elections** assume this proposal would have no fiscal impact on their organizations.

Although they did not respond to our request for information, officials from the **Office of the Secretary of State (SOS)**, the **Office of Administration - Division of Budget and Planning (BAP)**, and the **DOR** assumed a similar proposal (SB 1490 LR 805-01) would have no fiscal impact on their organizations.

Section 94.360

**Oversight** assumes this section will have a have a \$0 to Negative Unknown Loss to local political subdivisions.

Section 94.902

In response to HCS for HB 566 Oversight received the following responses:

In response to a previous version of this proposal, officials from the **City of Liberty** stated their estimate of revenue from a one-half cent sales tax would be approximately \$1,700,000 per year and the election cost would be approximately \$30,000. City officials did not indicate any additional cost to their organization to implement this proposal, and **Oversight** assumes any additional cost could be absorbed with existing resources. Oversight will include the city's estimated municipal election cost in this fiscal note.

ASSUMPTION (continued)

Officials from the **City of North Kansas City** stated their estimate of revenue from a one-half cent sales tax would be approximately \$1,575,000 each year if the entire half-cent sales tax was levied. City officials did not indicate any additional cost to their organization to implement this proposal, and **Oversight** assumes any additional cost could be absorbed with existing resources. The city did not provide an estimate of election costs for this proposal, and Oversight will include an unknown but less than \$100,000 estimated election cost in this fiscal note for the city.

Officials from the **BAP** noted the proposal would allow voters in certain cities to approve a sales tax up to  $\frac{1}{2}$  of one percent to improve public safety of the city.

BAP officials provided information from the Department of Revenue (DOR) 2014 sales tax report which indicated taxable sales in Liberty totaled \$428.8 million in fiscal year 2014. Therefore, BAP officials estimated the proposed sales tax could generate up to  $(\$428,800,000 \times .005) = \$2.14$  million (rounded) annually for the city beginning as early as two weeks after the 2016 August primary election, unless a special election is called before such date. BAP officials assume up to \$1.79 million would be collected for FY 2017.

BAP officials also provided information from the Department of Revenue (DOR) 2014 sales tax report which indicated taxable sales in North Kansas City totaled \$365 million in fiscal year 2014. Therefore, BAP officials estimated the proposed sales tax could generate up to  $(\$365,000,000 \times .005) = \$1.825$  million (rounded) annually for the city beginning as early as two weeks after the 2016 August primary election, unless a special election is called before such date. BAP officials assume up to \$1.544 million would be collected for FY 2017.

BAP officials also noted the revenues collected would have no direct impact on Total State Revenues; however 1% would be retained to offset DOR collection costs, and Total State Revenues could be increased by \$39,650 if the sales tax proposals are approved.

For simplicity, **Oversight** will not include the one percent additional collection deduction in this fiscal note.

**Oversight** assumes the BAP revenue estimates for this proposal are the best estimates available and will use those estimates for this fiscal note. Oversight assumes the additional revenues would be spent for public safety purposes and will also include additional cost for local governments equal to the additional revenue in this fiscal note.

**Oversight** also assumes the proposals could be submitted to the voters as early as the April, 2016 (FY 2016) municipal elections. If a sales tax is approved by the voters, it would become effective on the first day of the second calendar quarter after the election.

ASSUMPTION (continued)

The proposed sales tax could therefore become effective as early as October 1, 2016 (FY 2017).

For fiscal note purposes, **Oversight** will assume the election would be held with the April, 2016 municipal elections and sales tax could be collected from October 1, 2016 to June 30, 2017 (FY 2017). Oversight is also aware there is some delay in collecting, reporting, accounting, and remitting sales tax to local governments; however, we will indicate revenue up to nine months (75%) of the annual estimate for FY 2017.

For the City of Liberty, the estimate would be  $(\$2,140,000 \times .75) = \$1,605,000$ , and for FY 2018 and following years, the sales tax revenue estimate would be \$2,140,000.

For the City of North Kansas City, the estimate would be  $(\$1,825,000 \times .75) = \$1,369,000$  (rounded) and for FY 2018 and following years, the sales tax revenue estimate would be \$1,825,000.

Finally, **Oversight** notes this proposal would allow but not require the cities to propose a public safety sales tax to the voters, and the fiscal impact will be presented as \$0 (no election held) or the estimated election costs above and \$0 (no election or voters do not approve the sales tax) or the estimated sales tax revenue above.

Officials from the **DOR** stated this proposal would authorize these cities to impose a one-half percent sales tax for improving public safety but would have no impact on their organization.

DOR officials provided an estimate of the IT cost to implement the proposal of \$3,000 based on 40 hours of programming at \$75 per hour to make changes to DOR systems.

**Oversight** assumes OA - ITSD (DOR) is provided with core funding to handle a certain amount of activity each year, and assumes OA - ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA - ITSD (DOR) could request funding through the budget process.

Officials from the **SOS** assumed a previous version of this proposal would have no impact on their organization.

Officials from the **Joint Committee on Administrative Rules** assume this proposal would have no impact on their organization.

ASSUMPTION (continued)

Section 105.145

Officials from the **DOR** assumed this legislation would require the department to create a form. This form could be set up in the department's existing county fees system without any additional resources.

**Oversight** notes that the Office of the State Auditor (SAO) issued report No. 2013-065 in 2013 entitled Transportation Development Districts regarding their financial statement reporting requirements. The report stated as of December 31, 2011, 49 districts (of the 176 at the time) filed financial statements/audit reports late or did not file financial statements with the Office of the State Auditor at all. While a fine for late filing of financial statements is provided, Section 105.145.8 currently does not establish the agency responsible for the assessment or a collection mechanism for these fines; therefore, no fine revenue has been collected to date. The report also stated, as of February 1, 2013, the potential accumulated fine amounts were \$16,859,000.

This proposal provides that future fine revenue would be distributed to local school districts (after the Department of Revenue retains a collection fee of not more than two percent) in the same manner that proceeds for all penalties, forfeitures, and fines collected for any breach of the penal law of the state are distributed. **Oversight** assumes the \$500 fine is already established in statutes and that Transportation Development Districts (currently 195 districts) will timely submit their financial statements. Therefore, Oversight will assume no additional fiscal impact from this proposal.

Section 143.1028

In response to a similar proposal from this session, HB 1060 Oversight received the following responses:

Officials from the **BAP** noted this proposal would allow taxpayers to contribute all or part of their personal income tax refunds to MOST accounts and assume it would not have a fiscal impact to their organization.

BAP officials assume there would be no direct impact to general and Total State Revenues from this proposal; to the extent taxpayers increase contribution to the MOST Program, additional tax deductions may occur which could indirectly reduce revenues.

**Oversight** notes this proposal would allow tax return filers to redirect a portion or all of their income tax refund to a MOST account. The proposal would not change the amount of tax nor the refund due; therefore, Oversight assumes the proposal would have no fiscal impact to the state.



ASSUMPTION (continued)

In response to a similar proposal (SB 420 LR 2014-01) officials from the **DOR** assumed the proposal would allow all or part of an income tax refund to be direct deposited into a financial institution managing the Missouri Higher Education Savings Program. The provisions would require a deposit of at least \$25 in the tax year refunded, and the taxpayer would be required to use a form prescribed by the Department and file the form with the taxpayer's tax return.

Administrative Impact

DOR officials assume Personal Tax would require two additional Temporary Tax Employees to key the MOST trust fund account information and two additional Revenue Processing Technicians I (Range 10, Step L) for correspondence and error correction. In addition, Collections and Tax Assistance (CATA) would have additional customer contacts about the direct deposit option and notice of adjustments. CATA would require one additional Tax Collection Technician (Range 10, Step L) for every additional 15,000 contacts annually on the non-delinquent tax line. The technician would require CARES equipment and license.

**Oversight** does not have information as to the number of participants in the 2014 checkoff program but notes the highest number of participants in an individual program in FY 2013 was 3,597. Oversight assumes a limited number of transactions could be processed by existing employees; however, if implementing the proposal results in unanticipated additional work for DOR or if multiple proposals are enacted resources could be requested through the budget process.

IT impact

DOR officials provided an estimate of the IT cost to implement the proposal of \$75,168 based on 1,002 hours of programming to make changes to DOR systems.

**Oversight** will use the DOR estimate of IT cost in this fiscal note. Since the proposal would be effective for tax years beginning on or after January 1, 2016, Oversight will include the IT cost in FY 2017 when the first tax returns would be filed.

Officials from the **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization.

Officials from the **Department of Higher Education** assume this proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

In response to a similar proposal (SB 420 LR 2014-01) officials from the **SOS** assumed the proposal would have no impact on their organization.

Section 144.526

This proposal would increase from \$1,500 to \$2,000 the maximum cost for a new energy star certified appliance which could be exempted from sales tax during the Show-Me Green sales tax holiday.

Officials from the **Department of Natural Resources (DNR)** stated this proposal would increase the allowed cost of a new appliance exempted from state sales tax during the Show-Me Green Sales Tax Holiday from \$1,500 to \$2,000, and assume the proposal would have a negative effect on total state revenue. DNR officials also assume the Department of Revenue and Office of Administration - Division of Budget and Planning will provide a more detailed account of the fiscal impact.

In response to similar language in HB 2250 LR 5100-01 (2008) officials from the **BAP** assumed the proposal would exempt purchases of "Energy Star" certified appliances from sales tax for a seven day period in November, starting in 2009. Based on Personal Consumption data as provided by the United States Department of Commerce, Bureau of Economic Analysis, sales of qualifying appliances would be approximately 0.04% of annual retail sales. Gross General Revenue Fund sales tax collections in FY 2007 were \$1,977.7 million.

BAP officials estimated Total State Revenues could be reduced in the following ways, beginning in FY 2009:

General Revenue	\$791,000
Prop C	\$264,000
Conservation	\$33,000
DNR	<u>\$26,000</u>
Total	<u>\$1,114,000</u>

Officials from the **DOR** assumed similar language in HB 2250 LR 5100-01 (2008) would not have a fiscal impact on their organization.

DOR officials provided an estimate of the IT cost to implement the proposal of \$16,744 based on two technicians for two months. DOR officials assumed the IT portion of the proposal could be implemented with existing resources; however, if priorities shift, additional FTE/overtime would be needed.

ASSUMPTION (continued)

**Oversight** will assume that sales tax revenue losses to the General Revenue Fund, the School Trust Fund and political subdivisions will exceed \$100,000 per year and that losses to the Conservation Fund and to the State Parks and Soil and Water Funds will be less than \$100,000 per year.

Section 285.517

Officials from the **Department of Labor and Industrial Relations (DOLIR)** stated the United States Department of Labor (USDOL) has informally reviewed this bill and has determined it raises several conformity issues with federal law.

DOLIR officials state the proposed change requires that the DOLIR afford employers the same relief afforded to employers under the "safe harbor" provision. The safe harbor provision is solely a tax relief provision. It does not amend the definition of "employee" under the Unemployment Tax Act (FUTA), which determines the scope of the mandatory coverage requirement, for purposes of determining an employer-employee relationship. Internal Revenue Service (IRS) states that the safe harbor provision does not change the status of these workers from employees to self-employed.

Missouri is not permitted to offer the same relief as provided in the "safe harbor" provision, since this would permit Missouri to deny unemployment compensation (UC) coverage when such services are performed in an employment relationship for state and local governmental entities, certain nonprofit organizations, and federally recognized Indian tribes.

The denial of coverage in these circumstances would raise a conformity issue because services performed in an employment relationship for these entities are required to be covered.

Section 3303(a)(1), FUTA, requires, as a condition for employers in a state to receive the additional credit against the federal tax, that state law provide:

*"no reduced rate of contributions to a pooled fund is permitted to a person (or group of persons) having individuals in his (or their) employ except on the basis of his (or their) experience with respect to unemployment or other factors bearing a direct relation to unemployment risk...."*

If the application of the safe harbor provision would be to relieve employers of liability for state UC taxes even though services are required to be covered under the state UC law, this would "forgive" the back taxes of employers where there was coverage. If the issue is "forgiving" taxes otherwise due, then an issue would be raised with the experience rating since the forgiveness of taxes otherwise due results in the assignment of a zero tax rate on those services, which has the result of providing a reduced rate of tax on a basis not related to the experience of the employer.

ASSUMPTION (continued)

This bill will create a conformity issues with the Federal UC laws. Non-conformity with federal law could jeopardize the certification of Missouri's unemployment insurance (UI) program. If the program fails to be certified, Missouri would lose approximately \$38 million in federal funds the state receives each year to administer the UI program. Additionally, Missouri would lose the approximately \$12 million in federal funds each year the Department of Economic Development, Division of Workforce Development uses for Wagner-Peyser reemployment services.

Lastly, the classification of some workers as independent contractors based on IRS determinations (even though DOLIR would not reach the same conclusion based on state law) would mean that employers would no longer be required to provide those individuals with workers' compensation coverage. With lower premium collections overall, the amount of taxes and surcharges collected by the State of Missouri to fund the Workers' Compensation Program and the Second Injury Fund would decrease in a parallel fashion.

Though it is uncertain exactly how many fewer workers would be classified as covered employees, any decrease in the premium base would result in a corresponding decrease in state revenues collected as a percentage of the premium base.

For the purpose of this fiscal estimate, DOLIR assumes the premium base would decrease 1%, or \$15,124,480. Based on this amount, the Admin Tax collected would decrease by \$151,245 and the Second Injury Surcharge collections would decrease by \$907,469. The total loss in state funding would be an estimated \$1,058,714.

**Oversight** assumes the proposed language may result in conformity issues with federal law. Oversight will range the loss of federal funds from \$0 (the proposal would be implemented in a way that does not conflict with federal technical requirements) or the amount estimated by DOLIR, \$38 million (Missouri fails to comply with federal regulations) to the Unemployment Insurance Administration Fund and \$0 or \$12 million to the Wagner Peyser Fund.

Although it is uncertain how many fewer workers would be classified as worker's compensation covered employees, any decrease in the premium base would result in a corresponding decrease in state revenues. For fiscal note purposes, Oversight will use DOLIR estimates of a 1% loss in the premium base of \$151,245 to the Workers' Compensation Fund and a loss of \$907,469 to the Second Injury Fund.

ASSUMPTION (continued)

Bill as a Whole

Officials from the **Missouri Western University**, the **Platte County Board of Elections**, the **Department of Social Services**, the **Missouri Gaming Commission**, the **Department of Mental Health**, the **Department of Corrections**, the **Office of Administration**, the **Office of the State Auditor**, the **State Technical College of Missouri**, the **Office of the Governor**, the **Missouri Lieutenant Governor**, the **Department of Economic Development**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Office of the State Courts Administrator**, and the **Department of Public Safety - Missouri Highway Patrol** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Officials from the **Department of Elementary and Secondary Education (DESE)** state Article IX, section 7 of the Constitution of Missouri, requires the clear proceeds of all penalties, forfeitures, and fines collected for any breach of the penal laws of this state to be distributed to the schools. DESE assumes this proposal is conflicting with the Constitution.

In response to a previous version of this proposal, officials from the **Department of Agriculture**, the **Department of Higher Education**, the **University of Central Missouri**, the **Missouri State University**, the **Office of Prosecution Services**, the **Office of the State Treasurer**, the **Missouri Community College of Kansas City**, the **Central County Fire & Rescue**, the **State Tax Commission**, the **Missouri Ethics Commission**, the **Missouri Senate** each assumed the proposal would not fiscally impact their respective agencies.

In response to a previous version of this proposal, officials from the **Attorney General's Office** assumed that any potential costs arising from this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE FUND</b>			
<u>Revenue reduction</u> - Sales tax exemption	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
<u>Cost</u> - DOR			
IT cost (\$143.1028)	<u>\$0</u>	<u>(\$75,600)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(More than \$100,000)</u></b>	<b><u>(More than \$175,600)</u></b>	<b><u>(More than \$100,000)</u></b>
<b>WORKERS' COMPENSATION FUND</b>			
<u>Loss</u> - DOLIR (§285.517) Lower WC premium collections (1% decrease in premium base)	<u>(\$151,245)</u>	<u>(\$151,245)</u>	<u>(\$151,245)</u>
<b>ESTIMATED NET EFFECT TO THE WORKERS' COMPENSATION FUND</b>	<b><u>(\$151,245)</u></b>	<b><u>(\$151,245)</u></b>	<b><u>(\$151,245)</u></b>
<b>SECOND INJURY FUND</b>			
<u>Loss</u> - DOLIR (§285.517) Lower WC premium collections (1% decrease in premium base)	<u>(\$907,469)</u>	<u>(\$907,469)</u>	<u>(\$907,469)</u>
<b>ESTIMATE NET EFFECT TO THE SECOND INJURY FUND</b>	<b><u>(\$907,469)</u></b>	<b><u>(\$907,469)</u></b>	<b><u>(\$907,469)</u></b>
<b>SCHOOL DISTRICT TRUST FUND (\$144.526)</b>			
<u>Revenue reduction</u> - Sales tax exemption	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND</b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>PARKS, AND SOILS AND WATER FUNDS</b>			
(\$144.526)			
<u>Revenue reduction</u> - Sales tax exemption	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON PARKS, AND SOILS AND WATER FUNDS</b>			
	<b>(Less than <u>\$100,000</u>)</b>	<b>(Less than <u>\$100,000</u>)</b>	<b>(Less than <u>\$100,000</u>)</b>
<b>CONSERVATION COMMISSION FUND</b>			
(\$144.526)			
<u>Revenue reduction</u> - Sales tax exemption	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>			
	<b>(Less than <u>\$100,000</u>)</b>	<b>(Less than <u>\$100,000</u>)</b>	<b>(Less than <u>\$100,000</u>)</b>
<b>UNEMPLOYMENT ADMINISTRATION FUND</b>			
<u>Loss</u> - DOLIR	\$0 or	\$0 or	\$0 or
Potential non-conformity with federal law (§285.517)	<u>(\$38,000,000)</u>	<u>(\$38,000,000)</u>	<u>(\$38,000,000)</u>
<b>ESTIMATED NET EFFECT TO THE UNEMPLOYMENT ADMINISTRATION FUND</b>			
	<b><u>\$0 or (\$38,000,000)</u></b>	<b><u>\$0 or (\$38,000,000)</u></b>	<b><u>\$0 or (\$38,000,000)</u></b>
<b>WAGNER PEYSER FUND</b>			
<u>Loss</u> - DOLIR	\$0 or	\$0 or	\$0 or
Potential non-conformity with federal law (§285.517)	<u>(\$12,000,000)</u>	<u>(\$12,000,000)</u>	<u>(\$12,000,000)</u>
<b>ESTIMATED NET EFFECT TO THE WAGNER PEYSER FUND</b>			
	<b><u>\$0 or (\$12,000,000)</u></b>	<b><u>\$0 or (\$12,000,000)</u></b>	<b><u>\$0 or (\$12,000,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>POLITICAL SUBDIVISION</b>			
<u>Loss</u> - Sales tax exemption (\$144.526)	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
<u>Revenue</u> - City of Kansas City Sales tax - removal of 12/31/15 expiration date (\$94.402)	\$18,250,000	\$36,500,000	\$36,500,000
<u>Expense</u> - City of Kansas City - Transportation (\$94.402)	(\$18,250,000)	(\$36,500,000)	(\$36,500,000)
<u>Revenue</u> - City of Liberty Sales tax (\$94.902)	\$0	\$0 or Up to \$1,605,000	\$0 or \$2,140,000
<u>Cost</u> - City of Liberty Public Safety (\$94.902)	\$0	\$0 or (Up to \$1,605,000)	\$0 or (\$2,140,000)
<u>Cost</u> - City of Liberty Election (\$94.902)	\$0 or (\$30,000)	\$0	\$0
<u>Revenue</u> - City of North Kansas City Sales tax (\$94.902)	\$0	\$0 or Up to \$1,369,000	\$0 or \$1,825,000
<u>Cost</u> - City of Liberty Public Safety (\$94.902)	\$0	\$0 or (Up to \$1,369,000)	\$0 or (\$1,825,000)
<u>Loss</u> - License Tax Limitations imposed on hotels (\$94.360)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost</u> - City of North Kansas City Election (\$94.902)	\$0 or (Less than \$100,000)	\$0	\$0



<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<u>Costs - Local Political Subdivisions - ordinances to repair and maintain structures declared to be nuisances (§67.410)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

Direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions related to taxing in local political subdivisions.

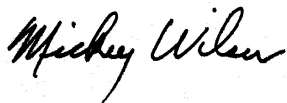
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Department of Natural Resources  
Office of Administration - Budget and Planning  
Department of Labor and Industrial Relations  
Missouri Western University  
Platte County Board of Elections  
Department of Social Services  
Missouri Gaming Commission  
Department of Mental Health  
Department of Corrections  
Office of Administration  
Office of the State Auditor  
State Technical College of Missouri  
Office of the Governor  
Missouri Lieutenant Governor  
Department of Economic Development  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Elementary and Secondary Education  
Office of the State Courts Administrator

SOURCES OF INFORMATION (continued)

Department of Public Safety - Missouri Highway Patrol  
Joint Committee on Administrative Rules  
Department of Agriculture  
Department of Higher Education  
University of Central Missouri  
Missouri State University  
Office of Prosecution Services  
Office of the State Treasurer  
Missouri Community College of Kansas City  
Central County Fire & Rescue  
State Tax Commission  
Missouri Ethics Commission  
Missouri Senate  
County of St. Louis  
Callaway County Commission  
City of Kansas City  
Jackson County Election Board  
Office of the Secretary of State  
City of Liberty  
City of North Kansas City  
Attorney General's Office



Mickey Wilson, CPA  
Director  
May 13, 2015

Ross Strobe  
Assistant Director  
May 13, 2015