

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0738S.06C
 Bill No.: SCS for SB Nos. 12, 20, 21, 31, 56, 67 & 68
 Subject: Children and Minors; Children's Division; Counties; County Government;
 Emergencies; Governor and Lieutenant Governor; Health, Public; Health and
 Senior Services, Department of; Health Care; Hospitals; Political Subdivisions;
 Religion; Taxation and Revenue - Property
 Type: Original
 Date: February 8, 2021

Bill Summary: This proposal modifies provisions relating to public health.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	(Unknown, Could be substantial)	\$0 or (Unknown Could be substantial)	\$0 or (Unknown, Could be substantial)

FISCAL ANALYSIS

ASSUMPTION

§§44.103, 67.265, 77.530, 79.380, 192.300, 192.320, 192.321, 197.145, 205.031, 210.067 – Provisions of Public Health Orders

Officials at the **City of Springfield** anticipates that this bill could create a negative fiscal impact of an unknown amount due to the increase in COVID-19 cases or other applicable communicable disease outbreaks that may require disease investigation/contact tracing. It is impossible to estimate how many more cases could occur due to the limitation of public health orders to a certain amount of days without the approval of a governing body due to the time necessary to obtain approval or in the case of longer orders, due to the amount of time necessary to receive approval from the Department of Health and Senior Services or the General Assembly. Additionally, there will likely be an increased number of cases as a result of not being able to apply mitigation strategies to religious activity.

Officials at the **Boone/Columbia County Health Department** assume there will be an unknown cost due to an increase in COVID-19 cases and other communicable diseases requiring disease investigation and contact tracing. It is impossible to estimate how many additional COVID-19 cases and other communicable disease cases there will be:

- During the 30 days the governing body would have to accept the order. If the order is rejected, fiscal impact would be greater;
- As a result of people not observing social distancing in houses of worship; and
- As a result of lack of quarantining in households. Disease investigations have shown that household contacts to COVID-19 cases are at a significantly elevated risk to develop COVID-19.

Officials from the **Kansas City Health Department** assume an unknown fiscal impact of an indeterminate amount from this proposal.

Oversight notes it is currently the responsibility of local public health agencies (LPHAs) to conduct disease investigation and contact tracing regardless of whether a statewide emergency has been proclaimed by the governor. Oversight assumes that any potential costs that may be incurred as a result of this proposal would be indirect costs. Therefore, Oversight will present no fiscal impact for provisions of this proposal.

§139.305 – Property Tax Credit on Real Property from Municipal Occupancy Restrictions

Officials from the **State Tax Commission (STC)** state SCS for SB 12 amends §139.305 if any county or city issues an order or ordinance restricting the use of real property in a county or city, then the total tax bill for any real property in the county/city would be reduced of the total real property taxes owed only to the county or city, but the real property taxes owed to the individual taxing districts, such as school districts, would not be reduced or fiscally impacted. The taxpayer

would receive a credit against property taxes owed. The credit is equal to the percentage of the calendar year that the restrictions on the use of the property were in place. Real property consists of three subclasses, residential, commercial and agricultural. The potential negative fiscal impact on counties or cities that have adopted such restrictions is unknown, however a large urban/suburban county, such as St Louis County, has a total of 391,033 parcels in the three subclasses (17,200 commercial parcels, 372,956 residential parcels and 877 agricultural parcels). Additionally the fiscal impact would be dependent on the duration and the definition of the restriction.

Here is an example of a likely subclass (commercial) affected by restrictions: County A issues a six-month county-wide order restricting the use of real property in County A. Commercial Property Y has a market value of \$100,000 and an assessed value of \$32,000 ($100,000 \times .32 = 32,000$). The tax rate in County A is 6.5%. Commercial Property Y has a total property tax liability of \$2,080 ($32,000 \times .065 = 2,080$). Of that total, \$200 is the portion for property tax liabilities owed only to County A. The amount of taxes owed only to County A due to the six-month county-wide order would be \$100. Commercial Property Y has a reduced tax liability of \$1980, the county's portion and amount of tax revenue would be reduced by fifty percent.

Oversight does not have information to the contrary and therefore, Oversight will reflect a \$0 to negative unknown impact to cities and counties.

Officials from the **City of St. Louis** assume this proposal would have a negative impact on the City's revenue, although the exact magnitude is unknown.

According to the City of St. Louis Assessor's Office, there is not enough information to even "guestimate" the fiscal impact of this proposed legislation, but the impact could be substantial, if not exorbitant for the City. That is because the City is under many citywide ordinances that restrict or prohibit uses and occupancy on properties.

Officials from the **City of Springfield** anticipate a negative fiscal impact from this bill if the City needs to impose occupancy restrictions to protect the health and safety of its citizens. The City anticipates that the negative fiscal impact from a credit for six months of occupancy restrictions for commercial property only would be greater than \$0 but less than \$4,579,089 based on 2020 property taxes for a six month credit.

Officials from the **Ste. Genevieve County Collector's Office** state their county tax software does not have the capability to issue a tax credit on any tax bill, much less just the city or county portion of a real estate tax bill. The tax software also does not have the capability to adjust only the city or county portion of a real estate tax bill. If this legislation passes, there would have to be a significant software program change. The cost of that change is undetermined. There are at least eighteen different tax software systems plus seven in-house systems used by County Collectors across the state, all of which would likely have to make the programming change.

Second, the city and county tax on a property tax bill is a small percentage of the overall bill. For example: in Ste. Genevieve County, for the 2020 tax year, the County tax was 5.4% and 4.7% of the overall tax liability for commercial properties in the Ste. Genevieve R-2 and Farmington R-7 school districts, respectively. The City of Ste. Genevieve was 17.5% of the overall tax liability for commercial properties (in the Ste. Genevieve R-2 school district).

In response to similar legislation from this year, SB 100, officials from the **City of Kansas City** assume this proposal would have a negative fiscal impact of an indeterminate amount.

Oversight notes the following city and county restrictions:

Per the City of Kansas City's [website](#), the following restrictions remain in effect until January 16, 2021:

- “All indoor gatherings are limited to 10 people maximum.
- Restaurants, taverns, and all other venues, including wedding and other event spaces, shall close at 10:00 PM and shall limit the number of occupants indoors to no more than 50 percent of room occupancy.
- Indoor and outdoor patrons at these facilities must be seated, and also masked at all times except when actively eating or drinking. Indoor and outdoor parties are limited to a maximum of 10 people and parties shall be spaced with no less than six feet of distance between themselves and individuals from any other parties. Operators must report any COVID cases among staff or patrons to the Department of Health.
- Masks must be worn in all indoor spaces with more than one person per room, and outdoor spaces where social distancing cannot be maintained.
- Patrons of gyms, fitness, and recreational centers, including city, school, and other publicly-owned and managed facilities, must wear masks, and are limited to no more than 50 percent capacity.”

Per the City of Springfield's [website](#), the following restrictions have been implemented for retail and dining facilities:

- “As of July 16, any business engaged in retail sales or personal care services to the public must limit the number of customers in any particular business or retail location at any one time to a maximum of:
- The result of the total square feet of that part of the building devoted to the subject business divided by 30 times 50%.
- Face coverings are required for both staff and patrons in areas open to the public.”

Per the St. Louis County [website](#), the following restrictions are in effect beginning January 4, 2021:

D. Businesses are subject to the following requirements:

1. All Businesses that provide goods or services to the public are limited to twenty-five percent (25%) or less of the entity's authorized fire or building code occupancy and must:

- a. Provide employees and volunteers working in the Businesses' facility with Face Coverings or supplies to make Face Coverings; and
 - b. Comply with Social Distancing Requirements, Disinfection Processes and follow any additional applicable requirements as determined by DPH and posted on stlcorona.com or specifically given to the Business related to general and Business-specific operating standards, guidelines and protocols.
2. All restaurants and Drinking Establishments are limited to twenty-five percent (25%) or less of the entity's authorized fire or building code occupancy OR are limited to the number of tables in the restaurant where individual groups are able to sit 6 feet of distance away from other individual groups, whichever is less, and must:
- a. Close by 10 p.m. for indoor and outdoor service. Carry-out and delivery are not subject to the 10 p.m. curfew.
 - b. Provide employees and volunteers working in the Businesses' facility with Face Coverings or supplies to make Face Coverings.
 - c. Require customers to wear Face Coverings at all times they are interacting with or being served by a restaurant employee.
 - d. Comply with Social Distancing Requirements, Disinfection Processes and follow any additional applicable requirements as determined by DPH and posted on stlcorona.com related to general and Business-specific operating standards, guidelines and protocols.
 - e. Assist DPH with contact tracing when asked.
 - f. All restaurants and Drinking Establishments are encouraged to continue to provide outdoor service, carryout and delivery.
3. Banquet facilities, hotel conference rooms and facilities, as well as other businesses that provide similar facilities are subject to the capacity limitation of 25% of the entity's authorized fire or building code occupancy OR 50 people or less if the entity's authorized fire or building code would allow 200 or more individuals. These facilities must comply with all Food Establishment Bar Operating Guidelines. All meals and drinks must be served at tables and guests must remain seated at all times in groups of 10 or less and such facilities must:
- a. End service by 10 p.m. for indoor and outdoor services.
 - b. Provide employees and volunteers working in the Businesses' facility with Face Coverings or supplies to make Face Coverings.
 - c. Require customers to wear Face Coverings at all times they are interacting with or being served by hotel or banquet staff.
 - d. Comply with Social Distancing Requirements, Disinfection Processes and follow any additional applicable requirements as determined by DPH and posted on stlcorona.com related to general and Business-specific operating standards, guidelines and protocols.
 - e. Assist DPH with contact tracing when asked."

Oversight assumes the effective date of this proposal is January 1, 2021, with impacted revenues occurring in FY 2022 (December 2021). Based on the restrictions currently in place, Oversight will show a loss of revenue occurring in FY 22. For the remaining years, Oversight will show a range of impact of \$0 (no city-wide or county-wide restrictions) to an unknown loss in revenue to cities and counties that impose restrictions on the use of real property.

Oversight assumes there could be costs associated with implementing and tracking property tax credits for eligible properties. Oversight will show a range of impact \$0 (the cost can be absorbed with existing resources) to an unknown cost to cities and counties to implement and track.

Bill as a Whole

Officials from the **Missouri House of Representatives (MHR)** assume an unknown impact from this proposal. The MHR has no way of knowing if they would get called into a special session or an extended session to pass a concurrent resolution. Nor do they know the details of those calls, as in the days they may last.

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

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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, the SOS could request funding through the appropriation process.

Officials from the **Attorney General's Office**, the **Department of Elementary and Secondary Education**, the **Department of Corrections**, the **Department of Public Safety - Division of Alcohol and Tobacco Control**, the **Capitol Police**, the **Division of Fire Safety**, the **Office of the Director**, the **Missouri National Guard**, the **State Emergency Management Agency**, the **MoDOT & Patrol Employees' Retirement System**, the **Office of the State Public Defender**, the **Joint Committee on Education**, the **Joint Committee on Public Employee Retirement**, **Legislative Research**, the **Oversight Division**, the **Missouri Senate**, the **Economic & Policy Analysis Research Center (EPARC)**, the **Missouri Lottery**, the **Missouri Consolidated Health Care Plan**, the **Missouri Higher Education Loan Authority**, the **Missouri State Employees Retirement System**, the **Office of the State Courts Administrator**, the **Office of the State Auditor**, the **Department of Higher Education and Workforce Development**, the **Department of Revenue**, the **Missouri Highway Patrol** and the **Missouri Office of Prosecution Services** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **Office of Administration - Administrative Hearing Commission**, the **Office of Administration - Budget and Planning**, the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Missouri Gaming Commission**, the **Missouri Veterans Commission**, the **Department of Social Services**, the **Missouri Department of Agriculture**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri Department of Transportation**, the **Petroleum Storage Tank Insurance Fund**, the **Office of the Governor** and the **Office of the State Treasurer** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the cities of **Claycomo**, **Corder**, **Houstonia**, **Hughesville** and **O'Fallon**, the **Jefferson County Assessor's Office**, the **Kansas City Police Department**, the **St. Joseph Police Department**, the **St. Louis County Police Department**, the **Hermann Area Hospital District** and the **Newton County Health Department** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **City of Ballwin** and the **City of Kansas City** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the **City of Ballwin**.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties and county health departments were requested to

respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Loss – Cities and Counties - from property taxes credits in areas that impose real property restrictions - §139.305</u>	(Unknown, Could be substantial)	\$0 or (Unknown, Could be substantial)	\$0 or (Unknown, Could be substantial)
<u>Cost – Cities/Counties – to implement and track property tax credits of §139.305</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown, Could be substantial)	\$0 or (Unknown, Could be substantial)	\$0 or (Unknown, Could be substantial)

FISCAL IMPACT – Small Business

Oversight assumes there could be a positive fiscal impact to small businesses that are located in areas with use restrictions and receive a credit toward property taxes owed.

FISCAL DESCRIPTION

SCS/SBs 12, 20, 21, 31, 56, 67, & 68 - This act modifies several provisions relating to public health. First, this act provides that the state, any state agency, political subdivision, county commission, county health center board, or person is prohibited from enacting, adopting, maintaining, or enforcing measures during a declared state of emergency that would restrict, directly or indirectly, the free exercise of religion.

Second, the governing body of a political subdivision that has issued a public health order that closes, partially closes, or restricts the operation of businesses, churches, schools, or other places of public or private gatherings during and pertaining to such state of emergency shall approve, modify and approve, or reject such order by a two-thirds vote within 15 days of enactment, during which time the order may go into effect. Such public health orders shall be limited to no longer duration than 15 cumulative days in a 30-day period unless authorized by: (1) the Department of Health and Senior Services for orders to be in effect or extended for no more than 30 days in a 60-day period or (2) the General Assembly through a concurrent resolution for orders to be in effect or extended for no more than 90 days in a 180 day-period. Additionally, this act prohibits orders, rules, or regulations promulgated by political subdivisions from governing the number of people gathering or residing on private residential property during a state of emergency relating to the entrance of infectious, contagious, communicable, or dangerous diseases.

Third, beginning January 1, 2021, this act allows a taxpayer that is a resident of a city or county that imposes any city-wide or county-wide ordinance or order prohibiting or restricting the use of the taxpayer's real property to receive a credit against property taxes owed on such affected property. The amount of the credit shall be a percentage of the property tax liability that is equal to the percentage of the calendar year that the restrictions on the use of the property were in place. The credit authorized by this act shall only apply to real property tax liabilities owed to a city or county imposing such an ordinance, and shall not apply to property tax liabilities owed to any other taxing jurisdiction.

Fourth, no quarantine order issued by a county health board shall require, under penalty of law, that a person subject to quarantine isolate himself or herself from members of the same physical household.

Fifth, no public health order issued by any political subdivision, county health board, or state agency shall infringe on the parental rights of an individual, including decisions relating to the minor child's care and custody, upbringing, education, religious instruction, place of habitation, and physical and mental health care. Nothing in this provision shall be interpreted to limit the ability of such political subdivision or state agency to protect a child from child abuse or neglect. A positive test result for COVID-19 of a parent, guardian, or child shall not be the sole or determinative reason to remove a child from the care and custody of a parent or guardian.

Sixth, no hospital shall adopt, and no political subdivision shall impose, any policy restricting the presence of or visitation by, in accordance with the hospital's regular visitation hours and security protocols, the following: (1) one visitor if requested by a pregnant or new mother, (2) one member of the clergy or one person ordained for religious or pastoral duties if requested by the patient or the patient's family, or (3) the child's legal parent or guardian, provided such parent or guardian has either legal custody with no protective orders or unsupervised visitation.

Finally, candidates for county health board of trustees positions, under current law, are not required to run for election if the number of candidates is no greater than the number of positions to be filled. This act repeals this provision.

This proposal has an emergency clause.

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

City of Springfield
Boone/Columbia County Health Department
Joint Committee on Administrative Rules
Office of the Secretary of State
Attorney General's Office
Office of Administration
Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
Department of Social Services
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri Department of Transportation
MoDOT & Patrol Employees' Retirement System
Petroleum Storage Tank Insurance Fund
Office of the State Public Defender
Missouri House of Representatives

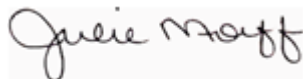
L.R. No. 0738S.06C

Bill No. SB 12

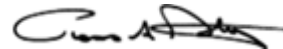
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Joint Committee on Education
Joint Committee on Public Employee Retirement
Legislative Research
Oversight Division
Missouri Senate
Economic & Policy Analysis Research Center (EPARC)
Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri Higher Education Loan Authority
Missouri State Employees Retirement System
Office of the State Courts Administrator
Office of the Governor
Office of the State Auditor
Office of the State Treasurer
State Tax Commission
City of Ballwin
City of Claycomo
City of Houstonia
City of Corder
City of Kansas City
City of O'Fallon
St. Louis City
Newton County Health Department
Jefferson County Assessor's Office
Kansas City Police Department, the St. Joseph Police Department, the St. Louis County Police
Department
Hermann Area Hospital District
Missouri Office of Prosecution Services
Kansas City Health Department
Ste. Genevieve County Collector's Office
Missouri House of Representatives
City of Hughesville



Julie Morff
Director
February 8, 2021



Ross Strobe
Assistant Director
February 8, 2021