

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0799S.05I  
Bill No.: SB 21  
Subject: Children And Minors; Cities, Towns, And Villages; Counties; County Governments; Emergencies; General Assembly; Governor & Lt. Governor; Health And Senior Services, Department Of; Health, Public; Hospitals; Political Subdivisions; Taxation And Revenue - Property  
Type: Original  
Date: January 11, 2021

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

**FISCAL SUMMARY**

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

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains NumberOfPages pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</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 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

§§44.100, 44.103, 67.265, 77.530, 79.380, 192.006, 192.020, 192.300, 192.320, 192.321, 197.145, and 210.067 – Provisions relating to public health

Officials from the **Missouri House of Representatives (MHR)** state the provisions of this proposal are interpreted to mean that if the MHR is not in session during the time the order would be made, it might have to call a special session to adopt a resolution. The MHR has no way of knowing if this would ever happen, what time of year the order would be made (during session or interim), or how many times a year this could happen. The MHR, therefore, assumes the fiscal impact of this proposal to be unknown annual costs.

**Oversight** notes there is no way to determine if, or when, a state of emergency will be called, how long the emergency will last or how many emergencies could occur in a year. Therefore, Oversight assumes potential costs to be speculative and, for fiscal note purposes, will present no fiscal impact to the state.

Officials from the **Columbia/Boone County Department of Public Health and Human Services** state there will be an unknown cost due to an increase in COVID-19 cases requiring disease investigation and contact tracing. It is impossible to estimate how many additional COVID-19 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;
- During the time it would take the General Assembly to approve a resolution for orders lasting longer than 14 days;
- 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 **City of Springfield (City)** state the City anticipates a negative fiscal impact from this bill due to an increase in COVID-19 cases or other communicable disease outbreaks requiring disease investigation and contact tracing.

It is impossible to estimate how many additional COVID-19 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 or other mitigation strategies in houses of worship;

- During the time it would take the General Assembly to approve a resolution for orders lasting longer than 14 days;
- 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 and are the most common source of disease transmission in our community; and,
- Due to the removal of the ability to require isolation and quarantine for children which will result in additional exposure to and transmission of SARS-COV2 or other communicable conditions that require such control measures.

**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. It is assumed any potential costs that may be incurred as a result of this proposal are indirect costs. Therefore, Oversight will present no fiscal impact for these provisions of the proposal.

**Oversight** notes the provisions of this proposal may impact the amount of fine revenues collected by cities/counties and disbursed to school districts for violations of health ordinances currently in law. The provisions of this proposal provide that political subdivisions can't implement orders relating to declared states of emergency for a cumulative period of time exceeding 14 days in a two year period unless authorized by a Concurrent Resolution of the General Assembly. In addition, political subdivisions will not be able to restrict the number of persons gathering or residing on private residential property or restrict the free exercise of religion. Rules, ordinances, etc., promulgated by county commissions, county councils and county health board trustees related to the declared state of emergency must be submitted to the governing body of the political subdivision for approval and can't exceed 14 days in a two-year period.

**Oversight** assumes these provisions will reduce the number of citations and violations issued, thereby reducing the amount of fines collected. This impact is assumed to be indirect and will not be presented for fiscal note purposes.

#### §139.305 – Property tax credit

Officials from the **City of Springfield (City)** state the City anticipates a negative fiscal impact from this bill. Regarding the credit of property tax due for the months an occupancy limits is in place, approximately 42% of the City's assessed valuation comes from commercial property. The City has no data to identify how much of the commercial property is used for retail activities. Therefore, the City anticipates that the negative fiscal impact from a credit for six months of occupancy restrictions would be greater than \$0 but less than \$4,579,089 based on 2020 property taxes for a six month credit.

Officials from the **City of Kansas City** state this legislation could have a negative fiscal impact on Kansas City because of the provisions of §139.305 if a credit were given a property owner.

**Oversight** notes officials from the **City of Hale** indicated this proposal would have a fiscal impact on their organization. City of Hale officials did not respond to Oversight’s request for additional information.

Officials from the **Ellisville Police Department** state this proposal may have a great impact depending on the Governor's use of local assets.

**Oversight** notes the provisions of §139.305 provide, beginning January 1, 2021, that any resident of a city or county that imposes any city-wide or county-wide ordinance restricting the use of the taxpayer’s real property, including, but not limited to, occupancy restrictions, shall receive a credit on property taxes owed on such affected property for the percentage of the property tax liability equal to the percentage of the calendar year the taxpayer was subject to restrictions on the use of his/her property. Oversight does not have any information to the contrary and will, therefore, present the potential loss of property taxes to cities or counties as \$0 to (Unknown).

Responses regarding the proposed legislation as a whole

Officials from the **Department of Health and Senior Services**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Social Services**, the **Office of the Governor**, the **Missouri Senate**, the **Office of the State Auditor**, the **City of Ballwin**, the **City of Corder**, the **City of O’Fallon**, the **Newton County Health Department**, the **Crestwood Police Department**, the **Kansas City Police Department**, the **St. Louis County Police Department** and the **Hermann Area Hospital District** 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.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, various county officials including commissioners, assessors and county clerks, sheriffs’ departments, police departments and hospitals 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.

This proposal contains an emergency clause.

<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
<b>LOCAL GOVERNMENTS – CITIES AND COUNTIES</b>			
<u>Costs – Cities and Counties (§139.305)</u>			
Credit for property taxes for restricted use of property	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
<b>ESTIMATED NET EFFECT ON CITIES AND COUNTIES</b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>

FISCAL IMPACT – Small Business

This proposal could have an impact on any small business where a city or county imposes an ordinance restricting the use of the businesses’ real property. (§139.305)

FISCAL DESCRIPTION

This act modifies several provisions relating to public health. First, any political subdivision of this state, county health board, or the Department of Health and Senior Services shall not make and promulgate any public health orders, ordinances, rules, or regulations during a declared state of emergency and pertaining to such state of emergency for a cumulative period longer than 14 days in a 2 year period, unless authorized by the General Assembly, as described in the act. (§§67.265, 77.530, 79.380)

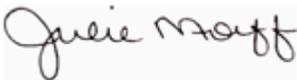
Beginning January 1, 2021, this act allows a taxpayer that is a resident of a city or county that imposes any city-wide or county-wide ordinance or order prohibiting or restricting the use of the taxpayer's real property to receive a credit against property taxes owed on such affected property. The amount 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. (§139.305)

This act 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

Department of Health and Senior Services  
Department of Public Safety –  
    Missouri Highway Patrol  
Department of Social Services  
Office of the Governor  
Missouri House of Representatives  
Office of the State Auditor  
Missouri Senate  
City of Ballwin  
City of Corder  
City of Hale  
City of Kansas City  
City of O'Fallon  
City of Springfield  
Columbia/Boone County Department of Public Health and Human Services  
Newton County Health Department  
Crestwood Police Department  
Ellisville Police Department  
Kansas City Police Department  
St. Louis County Police Department  
Hermann Area Hospital District



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