

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 2969-01
Bill No.: HB 950
Subject: Counties: Classification
Type: Original
Date: January 20, 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 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** and the **Department of Elementary and Secondary Education** assume no fiscal impact.

Officials of the **State Tax Commission** assume there would be no fiscal impact to the Commission. Officials assume that Section 48.030 RSMo, provides no county shall move from a lower class to a higher class or from a higher class to a lower class until the assessed valuation of the county is such as to place it in the other class for five successive years. Officials stated the Christian County recently moved from a third class to a second class, Newton County moved from a third class to a second class, and St. Francois moved to a class 2 county. Officials assume because a county must maintain the necessary assessed valuation for five successive years it is unknown if these counties will be affected by this legislation.

Jefferson County Counselor assumes no fiscal impact to Jefferson County.

Jasper County Commission officials assume that this proposal could save some counties from readily becoming a first class county, thereby, saving that county costs of increased officials salaries, providing a juvenile facility, or of providing a County Medical Official.

ASSUMPTION (continued)

Oversight assumes the provisions of Section 48.020 is procedural in nature and could have fiscal impact. By raising the required assessed valuation for a classification change could possibly postpone a county from changing classification until a later date or indefinitely, thereby postponing a possible increase in the expenditure of money on salaries, new offices, etc. For purposes of this fiscal note, Oversight assumes this proposal could save certain counties money from postponing a classification change. **Fiscal impact to certain counties will be shown as \$0 or Unknown savings.**

<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

CERTAIN COUNTIES

Savings - to certain counties postponing classification change.

<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill increases the assessed valuation a county must maintain in order to move into a higher classification. The assessed valuation for counties of the first classification is increased from \$450 million to \$600 million. The assessed valuation for counties of the second classification is increased from \$300 million to \$450 million. All counties with an assessed valuation of less than \$450 million will be counties of the third classification.

DESCRIPTION (continued)

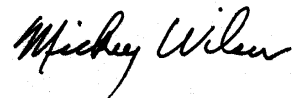
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
State Tax Commission
Department of Elementary and Secondary Education
Jefferson County Counselor
Jasper County Commission

NOT RESPONDING

The County Commissions of : Andrew, Johnson, Greene, Franklin, St. Charles, Marion, Platte, Clay, Boone, Callaway, Cass, Laclede, Cape Girardeau, Jackson, and St. Louis Counties



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Director
January 20, 2004