

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1184-05
Bill No.: SS for SCS for HB 376
Subject: County Government; Cities, Towns and Villages; Political Subdivisions; Roads and Highways; Ambulance and Ambulance Districts; Annexation; Counties; Taxation and Revenue - Sales and Use
Type: Original
Date: April 22, 2009

Bill Summary: Modifies provisions relating to county purchases. Allows a county to become a second classification county upon reaching the required assessed valuation and approval from the governing body. Allows Caldwell County to establish a jail or holding facility outside of the county seat. Allows counties without a charter form of government to adopt ordinances requiring property owners to control brush. Would increase recording user fees, and would require requests for records dated after December 31, 1969, to be made to the office in which the record was originally filed. This portion of the proposal authorizes the City of Ashland to seek voter approval for the imposition of a transient guest tax. This proposal authorizes Montgomery County to impose a transient guest tax for tourism purposes. This portion of the proposal authorizes the creation of exhibition center and recreational facility districts in certain counties. This portion of the proposal authorizes the creation of exhibition center and recreational facility districts in certain counties. Allows St. Louis City to increase its semiannual registration fee for certain vacant property to \$2,000. Allows certain counties to adopt nuisance abatement ordinances involving land with tires or storm water runoff. Would allow municipalities to annex research parks under certain circumstances. This portion of the proposal allows the City of Grandview to impose a transient guest tax. Allows cities with more than five thousand inhabitants to propose a property tax for certain municipal purposes. This portion of the proposal changes provisions relating to certain city sales taxes. This portion of the proposal allows the City of Grandview to seek voter approval for a sales tax to fund public safety improvements. Authorizes non-profit sewer companies to

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 32 pages.

Bill Summary:
(continued)

provide domestic water services in certain areas. Allows cities and counties to impose a voter approved property tax to fund cemetery maintenance. Would modify provisions relating to sales for the collection of delinquent taxes. Allows public library districts to seek voter approval for a sales tax to fund libraries within such districts. Extends the term of office for certain ambulance district directors. Allows members of an ambulance district board of directors to be subject to recall from office. Modifies the procedure for detaching territory from a public water supply district. Allows several local tax increases pending voter approval. Would require the auditor of any county with a charter form of government to annually take an inventory of county property with an original value of \$2,500 or more, rather than \$250. This proposal modifies provisions relating to the imposition of transient guest taxes by certain local governments. Provides for the county counselor of Boone county to receive state money for performing duties related to mental health and mental health facilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$0 to (\$25,000)	\$0 to (\$30,000)	\$0 to (\$30,000)
Total Estimated Net Effect on General Revenue Fund	\$0 to (\$25,000)	\$0 to (\$30,000)	\$0 to (\$30,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Records Preservation	\$993,912	\$1,192,694	\$1,169,294
Missouri Housing Trust Fund	Unknown Exceeding \$100,000	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,093,912 to Unknown Exceeding \$100,000	\$1,192,694	\$1,169,294

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$993,912 to (Unknown Exceeding \$100,000)	\$1,192,694 to (Unknown Exceeding \$100,000)	\$1,192,694 to (Unknown Exceeding \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Sections 50.660 & 50.783

Officials from **State Tax Commission, St. Louis County** and **Clinton County** assume there will be no fiscal impact to their county.

Officials from **Cass County** assume this proposal is raising the dollar amount before a bid must be noticed to the public. Cass County assumes there would be some cost savings since it may reduce the number of bid notices for purchases under \$6,000.

Officials from **Platte County** assume there will be a net cost savings to their county, however, the amount is not determinable at this time.

Oversight, because this proposal is permissive, will show fiscal impact to local governments to be zero.

Oversight sent response requests to the following counties: **Jackson County, St. Charles County, Buchanan County, Clay County, Jasper County, Greene County, Taney County, Camden County, Boone County, Cole County, Callaway County, Franklin County, Jefferson County** and **Cape Girardeau County**. No response was received.

Section 48.030

Officials of the **Missouri State Tax Commission** assume no fiscal impact.

Oversight assumes this proposal is discretionary and would have no local fiscal impact.

Officials from the following counties; **Butler County Commission, Laclede County Commission, Lafayette County Commission, Lincoln County Commission, Dunklin County Commission, Miller County Commission, Perry County Commission, Pulaski County Commission, Stone County Commission, and Warren County Commission** did not respond to our request for fiscal impact from their counties.

ASSUMPTION (continued)

Section 49.310

Officials from the **Office of State Courts Administrator** assume this proposal will have no fiscal impact on their agency.

Officials from **Caldwell County** did not respond to our request for a fiscal impact from their county.

Section 49.710

Officials from **State Tax Commission, Cass County** and **Clinton County** assume this is enabling legislation and would see no fiscal impact on their local revenue or budget.

Oversight assumes this proposal as written is enabling legislation and would require action by the county's governing body or by citizen petition with voter approval before fiscal impact would be realized. **Oversight** assumes no state or local fiscal impact.

Sections 52.290, 52.312 & 54.010

Officials from the **State Tax Commission** and **St. Louis County Collector** assume there will be no fiscal impact to their agency or county.

Oversight assumes this proposal is discretionary and would have no local fiscal impact without action by the governing body.

Oversight sent response requests to the following counties: **Buchanan County, Clay County, Platte County, Jackson County, Cass County, Jasper County, Greene County, Taney County, Camden County, Boone County, Callaway County, Cole County, Franklin County, Jefferson County, Cape Girardeau County** and **St. Charles County**. No response was submitted.

Section 55.030

Officials from **St. Louis County** assume this proposal would have no fiscal impact to their organization.

ASSUMPTION (continued)

Oversight did not receive any other responses to our request for information regarding this proposal.

Oversight assumes this proposal would have no fiscal impact to the state government and that any impact to local governments would be minimal and could be absorbed with existing resources. Oversight will indicate no fiscal impact on this fiscal note.

Section 59.319

Officials from the **Office of the Secretary of State** (SOS) assume this proposal would add two dollars to the fee for recording an instrument with recorders. One dollar would go to the SOS and the other to the recorder. The additional revenue would be used by the SOS for preservation of local records. The Fiscal Division of the SOS estimates the additional revenues resulting from this proposal to be \$1,192,694 in FY 2009. With the proposal taking effect on August 28, 2009, there would be an increase in revenues of \$993,912 for FY10 and \$1,192,694 for each subsequent fiscal year.

The SOS indicated an increase in revenue for the Local Records Preservation Fund and for Local Government Recorders' funds of \$993,912 for FY 2010 and \$1,192,694 for FY 2011 and FY 2012.

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

Officials from **Cass County** assume this proposal would increase revenues to the Recorder's Fund but did not provide an estimate of the amount.

Officials from **St. Louis County** assume this proposal would provide additional revenue for the state and for the recorder's office. The revenue generated would be from an increase on state user fees from \$4.00 to \$6.00 charged on certain recorded documents. The state portion is used by the Secretary of State for preservation of local records. Distribution of fees would be \$3.00 for the State and \$3.00 for the Recorder of Deeds. The recording count estimate includes marriage license recordings.

ASSUMPTION (continued)

2010 Sept. - Dec. 52,000 recordings x \$6 = \$312,000
\$156,000 State and \$156,000 Recorder

2010 Jan. - Aug 104,000 recordings x \$4 = \$ 416,000
\$208,000 State and \$208,000 Recorder

2011 - 156,000 recordings x \$6 = \$ 936,000
\$468,000 State and \$468,000 Recorder

2012 - 156,000 recordings x \$6 = \$ 936,000.00
\$468,000.00 State and \$468,000.00 Recorder

Oversight will use the Secretary of State's estimate of revenue for the state and for local governments.

Sections 52.361, 52.370, 55.140, 55.190, 139.031, 139.140, 139.150, 139.210, 139.220, 140.050, 140.070, 140.080, 140.160 & 160.071

Officials of the **Office of the State Auditor** assume no fiscal impact.

Officials of the **Missouri State Tax Commission** assume no fiscal impact.

Oversight sent response requests to the following counties: **Boone County, Callaway County, Cole County, Greene County, Jackson County, St. Louis County, St. Charles County, Platte County, Jefferson County and Franklin County.** No response was received.

Section 67.280

Officials from the **Secretary of State's Office** assume there will be no fiscal impact to their agency.

Oversight assumes this proposal is discretionary and would have no local fiscal impact without action by the governing body.

The following cities, counties and fire departments did not respond to our request for a fiscal impact: **City of Booneville, City of California, City of Cape Girardeau, City of Columbia, City of Fulton, City of Independence, City of Jefferson City, City of Joplin, Andrew**

ASSUMPTION (continued)

County, Boone County, Buchanan County, Callaway County, Cole County, Green County, Boone County Fire Department, Creve Cour Fire Department and DeSoto Fire Protection.

Section 67.1000

Officials from the **St. Louis County Government** assume the proposal would have no fiscal impact upon their county.

Officials from the **City of Jefferson** state for each one cent increase in the tax, they will generate \$140,000 in additional revenue for the convention and visitor's bureau. Assuming the voters approved, the City could increase its tax by an additional 4 cents under this legislation.

The cities of **Boonville, Cape Girardeau, Columbia, St. Louis, Independence,** and **Harrisonville** as well as the counties of **Cole, Greene,** and **Platte** did not respond to our request for fiscal impact.

Oversight assumes this proposal increases the maximum tax from 5% to 7% that certain cities and counties could charge guest of hotels and motels and other business that offer sleeping rooms. **Oversight** assumes the increase could not be taxed without voter approval, therefore, **Oversight** assumes this proposal to be permissive, and would have no state or local fiscal impact.

Section 67.1360

Officials from the **Department of Revenue** assume the proposal would not fiscally impact their agency.

In response to a similar proposal from this year (HB 338), officials from the **City of Ashland** state the per room per night tax would range from \$1.70 to \$4.25 and would generate from \$22,338 (based on \$1.70 per night) to \$55,845 (based on \$4.25 per night) to an unknown amount annually. This estimate is based on 60 total rooms with a 60 percent occupancy rate.

Oversight assumes this proposal allows the city of Ashland to impose a transient guest tax of up to five percent and could not be implemented without voter approval. Therefore, Oversight assumes this proposal to be permissive and would have no state or local fiscal impact.

ASSUMPTION (continued)

Officials from **Montgomery County** did not respond to our request for fiscal impact.

Oversight assumes this proposal allows Montgomery County to impose a transient guest tax of up to five percent and could not be implemented without voter approval. Therefore, Oversight assumes this proposal to be permissive and would have no state or local fiscal impact.

Section 67.1361 & 67.2000

Officials from the **Department of Revenue (DOR)** assume the proposal will not fiscally impact their agency. DOR states due to the Statewide Information Technology Corporation, their response to a proposal will now also reflect the cost estimates prepared by OA-IT for impact to various systems. As a result, the impact shown may not be the same as previous fiscal notes submitted. In addition, if the legislation is Truly Agreed To and Finally Passed the OA-IT costs shown will be requested through appropriations by OA-IT.

Office of Administration Information Technology (ITSD DOR) estimates the IT portion of this request can be accomplished within existing resources; however, if priorities shift, additional FTE/overtime would be needed to implement. The ITSD DOR estimates that this legislation could be implemented utilizing 1 existing CIT III for 1 month for system modifications to MITS. The estimated cost is \$4,441 if approved by a vote of the people.

Officials from **Clinton County** assume they may incur costs of elections.

Officials from **DeKalb County** state the proposal could create costs in 2010 for the county-wide sales tax election and the two publications totaling \$1,560.

Oversight assumes this proposal is permissive and would require voter approval before any fiscal impact would be realized by the state or the new district. If the governing body of the county approves the creation of an Exhibition Center and Recreation Facility District and the voters within the district approve a sales tax to operate the district, the Department of Revenue would collect the sales tax and would withhold a 1% collection fee. The collection fee would be deposited in the State's General Revenue Fund.

If the counties attempt to establish a district, they would realize the cost of an election, which is required to establish a district, and the district would realize income generated by the sales tax,

ASSUMPTION (continued)

and would have costs related to the operation and maintenance of the district. All amounts of income and costs are indeterminable and based upon the desire and action taken to set up such a district.

Officials from **Daviess** and **Caldwell Counties** did not respond to our request for fiscal impact.

Section 67.402

Officials from **Department of Natural Resources** assume there will be no fiscal impact to their county.

Oversight sent response requests to **Bates County Commission, Butler County Commission, Callaway County Commission, Camden County Commission, Cape Girardeau County Commission, Johnson County Commission, Laclede County Commission, Lincoln County Commission, Marion County Commission, Miller County Commission, Monroe County Commission, Nodaway County Commission, Pemiscot County Commission, Perry County Commission, Scotland County Commission, Taney County Commission, Texas County Commission, Warren County Commission, Webster County Commission, Greene County Commission, Jasper County Commission, Clay County Commission, Buchanan County Commission, Carroll County Commission, Scotland County Commission and Montgomery County Commission**. No response was submitted.

Section 67.399

Officials from the **State Tax Commission** assume there will be no fiscal impact to their agency.

Oversight sent response requests to the **City of St. Louis**. No response was received.

Oversight, because this proposal is permissive, will show fiscal impact to local governments to be zero.

Section 67.402

Officials from **Department of Natural Resources** assume there will be no fiscal impact to their agency.

ASSUMPTION (continued)

Oversight sent response requests to **Bates County Commission, Butler County Commission, Callaway County Commission, Camden County Commission, Cape Girardeau County Commission, Johnson County Commission, Laclede County Commission, Lincoln County Commission, Marion County Commission, Miller County Commission, Monroe County Commission, Nodaway County Commission, Pemiscot County Commission, Perry County Commission, Scotland County Commission, Taney County Commission, Texas County Commission, Warren County Commission, Webster County Commission, Greene County Commission, Jasper County Commission, Clay County Commission, Buchanan County Commission, Carroll County Commission, Scotland County Commission and Montgomery County Commission.** No response was submitted.

Section 71.275

Officials from the **Department of Economic Development, the University of Missouri**, and **St. Louis County** assume this proposal would have no fiscal impact on their organizations.

Oversight did not receive any other responses from local governments which might be affected by this proposal.

Oversight assumes this proposal would allow certain municipalities to annex research parks, which could result in additional tax revenue to the municipalities but would require additional services to be provided by those municipalities. Any fiscal impact to a local government would result from a successful annexation process in a situation which met the requirements of the proposal. For fiscal note purposes, Oversight will indicate no impact to the state or to local governments.

Section 94.271

Officials from the **Department of Revenue** assume the proposal will not fiscally impact their agency.

In response to a similar proposal from 2008 (SB 1089), officials from the **City of Grandview (Grandview)** estimated the proposal will have no fiscal impact in the first year; \$100,000 in the second year; and \$100,000 in the third year. Grandview has never had a hotel/motel tax before and officials state they are seeing an increase in traffic now that the Triangle project is complete. They estimate there are now 70,000 to 75,000 cars a day along Highway 71. This will increase with the opening of the National Nuclear Security Administration complex in 2010 and the

ASSUMPTION (continued)

intermodal facility at the former Richards-Gebaur Airport starting in the spring of 2008. Grandview has no funding for marketing, public relations, tourism, or infrastructure related to completing the Downtown Corridor Plan.

Costs associated with this proposal would relate to an election and voters have to authorize the tax. Grandview officials were not aware of any revenue losses associated with this proposal.

In response to a similar proposal from this year (HB 338), officials from the **City of Ashland** state the per room per night tax would range from \$1.70 to \$4.25 and would generate from \$22,338 (based on \$1.70 per night) to \$55,845 (based on \$4.25 per night) to an unknown amount annually. This estimate is based on 60 total rooms with a 60 percent occupancy rate.

Oversight assumes this proposal allows several political subdivisions to increase taxes within their boundaries. The proposal allows Grandview to levy a transient guest tax for promoting tourism as well as a sales tax for public safety improvements. The proposal also allows Ashland and Sugar Creek to levy a transient guest taxes for the purpose of promoting tourism. These taxes may not be implemented without voter approval.

Oversight assumes this proposal is enabling legislation and would have no fiscal impact unless the governing body would request the voters of their city approve the imposition of the transient guest tax or the sales tax. Should voters approve the imposition of a sales tax, the city could expect revenue to be generated and there would be costs of providing public safety programs.

Oversight assumes the Department of Revenue would collect the sales tax and retain a 1% collection fee which would be deposited into the State's General Revenue Fund.

Section 137.1040

In response to a similar proposal from this year (SB 168), officials of **St. Louis County** and **Cass County** assumed no fiscal impact.

In response to a similar proposal from this year (SB 168), officials of the **Kansas City Attorney's** office assumed no fiscal impact, however, officials assume there could be a positive impact on the city.

In response to a similar proposal from this year (SB 168), officials of the **Clinton County Commission** assumed this proposal would offset their General Revenue expenditures.

ASSUMPTION (continued)

In response to a similar proposal from this year (SB 168), officials of the **City of West Plains** assume there could be a small positive fiscal impact on their city.

In response to a similar proposal from this year (SB 168), officials from **Webb City** stated there would be no cost to cities if they did not pursue the tax.

In response to a similar proposal from this year (SB 168), officials of the **City of Centralia, City of Joplin, City of Cape Girardeau** and **City of Republic** assumed no fiscal impact.

Oversight assumes this part of the proposal is discretionary and as written would not have any fiscal impact. **Oversight** assumes if a city or county would seek and receive voter approval to levy a property tax, which could not exceed one quarter of one cent per one hundred dollars of assessed valuation, there would be fiscal impact.

Oversight, because this proposal is permissive, will show fiscal impact to local governments to be zero.

Section 94.400

Officials from the **State Tax Commission, City of Centralia,** and **City of West Plains** assume there will be no fiscal impact to their agency.

The following cities did not respond to our request for a fiscal impact: **City of Belton, City of Booneville, City of California, City of Cape Girardeau, City of Clayton, City of Excelsior Springs, City of Fulton, City of Harrisonville, City of Jefferson City, City of Kansas City, City of Knob Knoster, City of Lees Summit, City of Liberty, City of Maryville, City of Neosho, City of Rolla, City of St. Joseph** and **City of Sullivan.**

Sections 94.510, 94.550 & 94.577

Officials from the **Office of the State Treasurer** and the **Department of Revenue** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the cities of **St. Louis, Kansas City, Springfield** and **Columbia** did not respond to our request for fiscal impact.

ASSUMPTION (continued)

Oversight collected municipal sales tax rate information from the Department of Revenue for the following cities:

St. Louis	4.016%
Kansas City	2.375%
Columbia	2.000%
Jefferson City	2.000%
Springfield	1.375%

Oversight does not have information regarding the breakdown of these sales tax rates into general sales tax and sales taxes dedicated to other things such as capital improvements, transportation, public transit, public safety, and parks and recreation.

Since the proposal states ‘cities that have already imposed and collected taxes under this section may continue to collect such taxes under this section without further approval by the voters as a continuation of a tax previously approved by the voters of the city’, **Oversight** will assume the proposal would not have a direct fiscal impact on existing sales tax rates. The proposal may have a fiscal impact on municipalities in the future that intend to implement a new sales tax or increase their existing sales tax rates.

Section 94.902

Officials from the **Department of Revenue** and the **Department of Public Safety - Director’s Office** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **City of Grandview** did not respond to our request for fiscal impact.

Oversight assumes this proposal is enabling legislation and would have no fiscal impact unless the governing body would request the voters of their city approve the imposition of a sales tax. Should voters approve the imposition of a sales tax, the city could expect revenue to be generated and there would be costs of providing public safety programs. **Oversight** assumes the Department of Revenue would collect the sales tax and retain a 1% collection fee which would be deposited into the State’s General Revenue Fund.

Oversight assumes the annual City Public Safety Sales Tax Trust Fund balance would be either a positive unknown or zero.

ASSUMPTION (continued)

Oversight has no way to determine if any city would receive voter approval to impose a public safety sales tax; therefore, for the purposes of this fiscal note fiscal impact will be shown as zero.

Officials from the **Department of Economic Development - Public Service Commission, Little Blue Valley Sewer District** and **Department of Natural Resources** assume no fiscal impact to their agencies.

Section 94.1011

Officials from the **Department of Economic Development - Public Service Commission, Little Blue Valley Sewer District** and **Department of Natural Resources** assume no fiscal impact to their agencies.

Section 137.1040

Officials of **St. Louis County** and **Cass County** assume no fiscal impact.

Officials of the **Kansas City Attorney's** office assume no fiscal impact, however, officials assume there could be a positive impact on the city.

Officials of the **Clinton County Commission** assume this proposal would offset their General Revenue expenditures.

Officials of the **City of West Plains** assume there could be a small positive fiscal impact on their city.

Webb City officials stated there would be no cost to cities if they did not pursue the tax.

Officials of the **City of Centralia, City of Joplin, City of Cape Girardeau** and **City of Republic** assume no fiscal impact.

Oversight assumes this proposal is discretionary and as written would not have any fiscal impact. **Oversight** assumes if a city or county would seek and receive voter approval to levy a property tax, which could not exceed one quarter of one cent per one hundred dollars of assessed valuation, there would be fiscal impact.

ASSUMPTION (continued)

Oversight, because this proposal is permissive, will show fiscal impact to local governments to be zero.

Sections 140.150, 140.190, 140.230, 140.250, 140.260, 140.290, 140.310, 140.340, 140.405 & 140.420

Officials from the **Office of the Secretary of State**, the **Department of Revenue**, the **State Tax Commission**, **Linn State Technical College**, and the **Metropolitan Community Colleges** assume this proposal would have no fiscal impact to their organizations.

Officials from the **Office of the Attorney General** assume the proposal could be implemented with existing resources.

Officials from **Cass County**, the **City of Centralia**, the **City of Joplin**, the **City of Kansas City**, and the **City of West Plains** assume this proposal would have no fiscal impact to their organizations.

Officials from **Buchanan County** provided an estimate of \$6,146 in additional cost to the county for mailing costs.

Officials from the **Office of the St. Louis County Collector of Revenue** provided an estimate of an additional cost for mailing 2,000 to 2,500 notices \$.346 each for mailing and \$5.32 for certified mail. $(2,000 \times \$5.666) = \$11,332$, and $(2,500 \times \$5.666) = \$14,165$.

Officials from **Clinton County** assume this proposal may not have a significant impact although it could result in cost savings; Clinton County officials stated that the proposal could result in increased collections of delinquent taxes.

Officials from **Office of the Taney County Collector** assume the additional cost to send certified mail prior to tax sales would amount to \$6,384 plus one additional employee at a cost of \$26,000 to \$27,000.

Officials from the **Office of the Boone County Collector of Revenue** assume this fiscal impact to that office would be nominal.

ASSUMPTION (continued)

Officials from the **Office of the St. Louis City Collector of Revenue** assume that the additional cost of postage for their organization would be \$0,800 per year, and that lost revenue would be approximately \$150,000 per year.

Oversight assumes this proposal would have no fiscal impact to the state. Oversight assumes that some local governments already conduct tax sales under provisions similar to those prescribed in this proposal, but that other local governments may have additional costs and/or revenue reductions as a result of the proposal. Accordingly Oversight will indicate an unknown cost to local governments for this proposal. Since this proposal would become effective in August 2009 after 2009 tax sales are completed, this proposal would first impact local governments in 2010 (FY 2011).

Oversight assumes that any change in the distribution of proceeds from tax sales would apply only to tax sale proceeds in excess of the taxes, penalties, and interest owed on the property. Accordingly, oversight will not indicate any revenue reduction to local governments.

Section 182.802

Officials from the **State Tax Commission, Secretary of State's Office, City of Kansas City, St. Louis County Government, City of Centralia and Cass County** assume there will be no fiscal impact to their agency.

Oversight assumes this proposal is discretionary and would have no local fiscal impact without action by the governing body.

Officials from the **Department of Revenue (DOR)** assume this proposal does the following:

- Allows a public library, by majority vote of its board of directors, to impose a tax not to exceed one-half of one percent on retail sales to fund public libraries.
- No tax under this subsection shall be effective unless the board of directors submits to the voters of the district.
- "Qualified Voters" or "Voters" means any individual residing in the district who is eligible to be a registered voter and who have registered.
- "Public Library District" is defined as any library district, county library district, city-county library district, municipal library district, consolidated library districts or urban library district.

ASSUMPTION (continued)

Sales Tax would require one (1) Revenue Processing Technician I (Range 10, Step L) to assist in registration of businesses, maintaining business lists and coordinating changes with the districts.

Oversight assumes this proposal is discretionary and would have no fiscal impact without action by the governing body.

Section 190.054

Officials from the **Department of Health and Senior Services** and **St. Charles County Ambulance District** assume there will be no fiscal impact to their agency.

Section 190.056

Officials of the **Office of Secretary of State - Elections Division** assume no fiscal impact to their office.

Oversight assumes this proposal could have fiscal impact to ambulance districts if one would have a board member recalled and an election were held to remove and if the member is removed to replace the member recalled. The amount of costs would be unknown and would depend upon the size of the district, how many other political subdivisions are holding an election at the same time and other variables.

Oversight will show fiscal impact to ambulance districts for unknown costs for an election. Many districts may never have a recall election due to the narrow time frame within which a member could be recalled.

Officials from the following counties and ambulance districts: **St. Louis City Board of Election, Kansas City Board of Election, Clay County Board of Election Commission, , St. Louis County Board of Election Commission, Jackson County Board of Election Commission, Platte County Clerk, Butler County Clerk, Callaway County Clerk, Camden County Clerk, Cape Girardeau County Clerk, Carroll County Clerk, Johnson County Clerk, Laclede County Clerk, St. Charles County Ambulance District, Taney County Ambulance District and Valley Ambulance District** did not respond to our request for a fiscal impact.

ASSUMPTION (continued)

Section 204.569

Officials from the **State Tax Commission, Cass County** and **Department of Natural Resources** assume there will be no fiscal impact to their agency.

Section 247.031

Officials from the **Office of State Courts Administrator, Department of Natural Resources** assume there would be no fiscal impact to their agency.

Oversight send response requests to **Cole County Public Water, Franklin County Water, Public Water District #3** and **St. Charles County Public Water**. No response was submitted.

Senate Amendment 1

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 2

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 3

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 4

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 5, Section 56.700

Officials from the **Office of State Courts Administrator** assume there will be no fiscal impact to their agency.

ASSUMPTION (continued)

Officials from the **Department of Mental (DMH)** assume this proposal would establish a payment of \$15,000 annually to the county counselor for duties relating to mental health for certain counties (first class county with more than 135,000 but less than 135,500 inhabitants) and an additional \$15,000 annually for investigative and clerical costs.

The **Department of Mental Health** assumes that one county (Boone) is intended in this proposal, therefore an annual cost of \$30,000 is projected.

Officials from **Boone County** did not respond to our request for a fiscal impact from their county.

Senate Amendment 6

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 7

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 8

Due to time constraints **Oversight** was unable to obtain information from the Department of Economic Development - Missouri Housing Development Commission. **Oversight** assumes that the amount of revenue generated by the fee is indeterminable on a statewide basis but **Oversight** assumes the amount of revenue generated would be greater than \$100,000.

Senate Amendment 9

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 10

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

ASSUMPTION (continued)

Senate Amendment 11

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 12

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 14, Section 67.1177

Oversight assumes this proposal allows the county to impose a transient guest tax of not less than two percent and not more than six percent and could not be implemented without voter approval. Therefore, Oversight assumes this proposal to be permissive and would have no state or local fiscal impact.

Senate Amendment 15

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 16

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 17

Due to time constraints **Oversight** was unable to obtain any fiscal impact response from county collectors.

Senate Amendment 18

Due to time constraints **Oversight** was unable to obtain any fiscal impact responses from county collectors. **Oversight** assumes that there will be costs for computer programming to include the additional information required in this proposal. **Oversight** assumes local government cost in unknown but exceeding \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Cost - Department of Mental Health</u>			
Annual payment to county	<u>\$0 to (\$25,000)</u>	<u>\$0 to (\$30,000)</u>	<u>\$0 to (\$30,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to (\$25,000)</u>	<u>\$0 to (\$30,000)</u>	<u>\$0 to (\$30,000)</u>

Section 59.319

**LOCAL RECORDS PRESERVATION
FUND**

<u>Revenue increase - recording fees</u>	<u>\$993,912</u>	<u>\$1,192,694</u>	<u>\$1,192,694</u>
ESTIMATED NET EFFECT ON LOCAL RECORDS PRESERVATION FUND	<u>\$993,912</u>	<u>\$1,192,694</u>	<u>\$1,192,694</u>

Section 67.2000 & 67.1361

**EXHIBITION CENTER AND
 RECREATION FACILITY
 DISTRICT FUND**

Income to Exhibition Center and Recreation Facility District from voter approved sales tax \$0 or Unknown \$0 or Unknown \$0 or Unknown

Cost to Exhibition Center and Recreation Facility District from operation and maintenance of the district, election cost, etc. \$0 to (Unknown) \$0 or (Unknown) \$0 or (Unknown)

ESTIMATED NET EFFECT TO EXHIBITION AND RECREATION FACILITY DISTRICT FUND* \$0 \$0 \$0

***Oversight assumes costs would not exceed income resulting in either an annual positive fund balance or a zero fund balance.**

MISSOURI HOUSING TRUST FUND

Income - To Missouri Housing Trust Fund From Increase in Recording Fees* Unknown Exceeding \$100,000 \$0 \$0

ESTIMATED NET EFFECT TO MISSOURI HOUSING TRUST FUND Unknown exceeding \$100,000 \$0 \$0

***Actual revenues generated by the fee increase would depend upon the number of mortgage-related documents filed annually.**

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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Section 59.319

LOCAL GOVERNMENTS

<u>Additional revenue</u> - recording fees	<u>\$993,912</u>	<u>\$1,192,694</u>	<u>\$1,192,694</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$993,912</u>	<u>\$1,192,694</u>	<u>\$1,192,694</u>
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Section 137.1040

**CITY OR COUNTY CEMETERY
MAINTENANCE TRUST FUND***

<u>Income</u> - To City or County Cemetery Maintenance Trust Fund from voter approved property tax	Unknown	Unknown	Unknown
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<u>Cost</u> - To City or County Cemetery Maintenance Trust Fund from upkeep and maintenance of cemeteries	(Unknown)	(Unknown)	(Unknown)
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Senate Amendment 18

<u>Cost</u> - Local Government	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
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ESTIMATED NET EFFECT TO LOCAL GOVERNMENT*	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>	<u>(Unknown exceeding \$100,000)</u>
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***Oversight assumes local governments cannot spend more than their income. Oversight assumes annual fund balances would be either zero or an annual positive balance. For purposes of this fiscal note annual fund balances will be shown as zero.**

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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**Sections 140.150, 140.160, 140.230,
 140.250, 140.260, 140.290, 140.310,
 140.340, 140.405 & 140.420**

LOCAL GOVERNMENTS

<u>Increased cost</u> - mailing notices	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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Section 190.056

AMBULANCE DISTRICTS

<u>Costs</u> - To Ambulance Districts from the recall process of board members of ambulance districts	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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Section 55.190 (SA 5)

LOCAL GOVERNMENT

<u>Revenue</u> - Reimbursement for duties related to mental health facility	\$0 \$25,000	\$0 to \$30,000	\$0 to \$30,000
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<u>Expense</u> - Duties related to mental health facility	<u>\$0 to (\$25,000)</u>	<u>\$0 to (\$30,000)</u>	<u>\$0 to (\$30,000)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Sections 67.1361 & 67.2000

Small businesses within any newly created district may have to collect and remit additional sales taxes to the Department of Revenue.

Section 71.275

This portion of the proposal could have a direct fiscal impact to small business which was located in an annexed research park.

Section 94.902

If voters were to approve the imposition of a city wide sales tax for public safety purposes, small businesses located within Grandview could expect to collect, administer, and pay the sales tax. Oversight assumes this proposal is permissive.

Section 137.1040

No direct fiscal impact to small businesses would be expected as a result of this proposal. Should a business be located in a city or county whose governing body would seek and receive voter approval to levy a cemetery property tax, the business would have to pay the tax.

FISCAL DESCRIPTION

Section 59.319

This portion of the proposal would add two dollars to the fee for recording an instrument with recorders. One dollar would go to the Office of the Secretary of State and the other would go to the recorder.

Section 67.1361 & 67.2000

This portion of the proposal allows real property owners in Caldwell, Clinton, Daviess, and DeKalb counties to seek voter approval for the creation of exhibition center and recreation facility districts. If such a district is created, it may seek voter approval for the imposition of a one-quarter of one percent sales tax, for a period not to exceed twenty-five years, to fund the district.

FISCAL DESCRIPTION (continued)

Section 94.510 & 94.550

Currently, under the general city sales tax law, cities may impose a city sales tax, upon voter approval, at a rate of one-half of 1%, seven-eighths of 1%, or 1%, and the City of St. Louis may impose the tax at a rate not to exceed one and three-eighths percent, for the benefit of the city. This bill specifies that the combined rate of sales taxes adopted under the city sales tax law cannot exceed 2%. This change is not to be construed as a new tax or an increase in the current levy of an existing tax for the purpose of Section 22, Article X, of the Missouri Constitution, commonly known as the Hancock Amendment, which requires voter approval; and cities that have already imposed and collected taxes under the city sales tax law can continue to do so without voter approval as a continuation of a tax previously approved by the voters of the city.

Currently, under the capital improvements city sales tax law, cities not in St. Louis County may impose a sales tax, upon voter approval, at a rate of one-eighth, one-fourth, three-eighths, or one-half of 1% for the purpose of funding, operating, and maintaining capital improvements. Municipalities in charter counties are authorized to impose a capital improvements tax under Section 94.890, RSMo. The bill specifies that the combined rate of sales taxes adopted under the capital improvement city sales tax law cannot exceed 1%. This change is not to be construed as a new tax or an increase in the current levy of an existing tax for the purpose of the Hancock Amendment which requires voter approval; and cities that have already imposed and collected taxes under the city sales tax law can continue to do so without voter approval as a continuation of a tax previously approved by the voters of the city.

Sections 140.150, 140.190, 140.230, 140.250, 140.260, 140.290, 140.310, 140.340, 140.405 & 140.420

This portion of the proposal would modify provisions relating to sales for the collection of delinquent taxes.

Section 182.802

This act authorizes public library districts to seek voter approval for a sales tax of not more than one half of one cent to fund the operation, and maintenance of libraries within the boundaries of such library district. Public library districts are defined as any city library district, county library district, city-county library district, municipal library district, consolidated library district or urban library district.

FISCAL DESCRIPTION (continued)

Section 190.056

Under this act, each member of an ambulance district board of directors shall be subject to recall from office by the registered voters of the election district from which he or she was elected. Proceedings for the recall are commenced by the filing of a notice of intention to circulate a recall petition.

The notice must be served personally, or by certified mail, on the board member and filed with the election authority. A separate notice is needed for each member sought to be recalled and must contain information explaining the reason for the recall. It must list at least one but not more than five proponents of the recall.

Within seven days, the board member may file a statement answering the statement of the proponents. The answer must be served on at least one proponent. The statement and answer are for the voters' informational purposes only.

A member cannot be recalled if he or she: 1) has not held office during the current term for more than 180 days; 2) has 180 days or less remaining on his or her current term; or 3) has had a recall election determined in his or her favor within the current term.

The person circulating the petition must sign an affidavit verifying certain information. A recall petition must be filed with the election authority not more than 180 days after the filing of the notice of intention. The number of signatures needed shall equal at least 25% of the number of voters who voted in the most recent gubernatorial election in the election district.

The election authority has twenty days from the date of filing the petition to determine if enough voters signed the petition. It must file a certificate showing whether there are enough signatures. If the election authority certifies the petition does not have enough signatures, it may be supplemented within ten days of the date of certificate. The election authority must then certify the supplemented petition. If it is insufficient, no further action shall be taken.

If the petition is sufficient, the election authority shall submit its certificate to the board of directors and order an election within a certain amount of time. Nominations for board membership openings shall be made by filing a statement of candidacy with the election authority.

FISCAL DESCRIPTION (continued)

Any time prior to forty-two days before the election, the member sought to be recalled may offer his or her resignation and the recall question shall be removed from the ballot and the office declared vacant.

Sections 94.271 & 137.1040

This act authorizes the City of Grandview to levy a transient guest tax on charges for sleeping rooms paid by guests of hotels and motels for the purpose of promoting tourism. The proposed tax must be submitted to the voters and shall not be greater than five percent per occupied room per night.

FISCAL DESCRIPTION (continued)

The City of Grandview may seek voter approval to levy a sales tax of up to one-half percent to fund public safety improvements for the city. Such improvements may include expenditures on equipment, city employee salaries and benefits, and facilities for police, fire, and emergency medical providers.

The City of Ashland is allowed to seek voter approval for the imposition of a transient guest tax of not less than two percent nor more than five percent per occupies room per night. The tax authorized by this act must be separately stated from all other charges and taxes.

The governing body of any city, town, village or county is authorized to submit a proposal to the voters of such city, town village or county allowing the municipality to impose a property tax to fund cemetery maintenance. The tax authorized under this act shall not exceed one fourth of one cent per one hundred dollars assessed valuation and shall not become effective until approved by the voters of the city, town village or county.

The City of Sugar Creek is authorized to seek voter approval to impose a transient guest tax upon charges for all sleeping rooms paid by guests of hotels, motels, bed and breakfast inns and campgrounds for the purpose of promoting tourism. The tax must be at least two percent, but may not exceed five percent per occupied room per night.

Senate Amendment 5, Section 56.700

Under this act, the county counselor of Boone County shall receive \$15,000, payable by the state,

FISCAL DESCRIPTION (continued)

for duties relating to mental health and mental health facilities and an additional amount not to exceed \$15,000 for investigative and clerical personnel assisting with such duties.

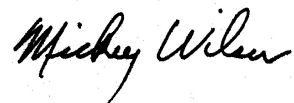
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Secretary of State's Office
Missouri State Tax Commission
Office of State Court's Administrator
Cass County
Clinton County
Boone County
St. Louis County
City of Ashland
Department of Revenue
DeKalb County
Platte County
Department of Economic Development
University of Missouri
City of Grandview
City of Centralia
City of West Plains
Office of the State Treasurer
Department of Public Safety
Department of Natural Resources
Little Blue Valley Sewer District
Public Service Commission
Kansas City Attorney's Office
City of Webb City
City of Republic
City of Cape Girardeau
Office of the Attorney General
Linn State Technical College
Metropolitan Community College
Buchanan County
Taney County

SOURCES OF INFORMATION (continued)

City of Joplin
City of Kansas City
Boone County
City of St. Louis
St. Charles County Ambulance District
Department of Health and Senior Services
Office of Secretary of State - Elections
Department of Mental Health



Mickey Wilson, CPA
Director
April 22, 2009