

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0532-01  
Bill No.: HB 99  
Subject: Taxation and Revenue - Income; Taxation and Revenue - Property; Licenses -  
Miscellaneous; Business and Commerce  
Type: Original  
Date: February 8, 2017

---

Bill Summary: This proposal would enact a requirement that entities bidding on work for publicly funded projects produce statements showing the entity owes no taxes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
School District Trust	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Conservation Commission	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Parks, and Soil and Water	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume this proposal would, beginning January 1, 2018, require any entity that bids on publically funded projects to submit a statement of "no tax due" with the bid.

### Administrative Impact

DOR officials assume Sales Tax would require one additional Revenue Processing Technician I (Range 10, Step L) for additional "no tax due" correspondence.

In total, the DOR estimate of cost to implement this proposal including the additional employee and related equipment and expense was \$46,053 for FY 2018, \$47,085 for FY 2019, and \$47,468 for FY 2020.

**Oversight** assumes existing DOR staffing would be adequate to implement this proposal. If unanticipated additional costs are incurred, or if multiple proposals are implemented that increase DOR costs or the workload for DOR employees, resources could be requested through the budget process.

Officials from the **Office of Administration - Division of Budget and Planning** stated that while this proposal would not directly impact general and Total State Revenues, it could have a positive impact if it results in more people paying taxes already owed to the state.

**Oversight** will include in this fiscal note a positive fiscal impact for the state funds which receive sales tax revenue and for local governments. **Oversight** will show the impact as \$0 to Unknown for the potential additional filers.

Officials from the **Bakersfield R-IV School District** assume this proposal could have a minimal fiscal impact to their organization.

Officials from the **Forsyth R-III School District** assume this proposal could have a positive fiscal impact to their organization.

ASSUMPTION (continued)

Officials from the **Concordia R-II School District** stated this proposal could result in additional costs for districts to amend request for proposal forms and contracts.

Officials from the **Office of the Secretary of State**, the **Joint Committee on Administrative Rules**, the **Department of Conservation**, the **Department of Natural Resources**, **Callaway County**, the **City of Kansas City**, the **Bronaugh School District**, the **Everton School District**, the **Kansas City Public School District**, the **Kirksville R-III School District**, the **Parkway School District**, the **Pettis County R-12 School District**, the **Warren County R-III School District**, the **West Plains School District**, and the **Jackson County Election Board** assume this proposal would have no fiscal impact on their organizations.

Officials from the following counties: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, Daviess, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne, Webster, and Worth did not respond to our request for information.

Officials the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring, and West Plains did not respond to our request for information.

ASSUMPTION (continued)

Officials from the following school districts: Arcadia Valley R-2, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Campbell R-2, Carrollton R-7, Caruthersville, Cassville R-4, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, East Newton R-6, Eldon R-I, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Macon County R-4, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Shelby County R-4, Shell Knob #78, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves, Westview C-6, and the Wright City R-2 School District did not respond to our request for information.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Additional Revenue</u> - delinquent tax collections	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>
<b>SCHOOL DISTRICT TRUST FUND</b>			
<u>Additional Revenue</u> - delinquent tax collections	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND</b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>
<b>CONSERVATION COMMISSION FUND</b>			
<u>Additional Revenue</u> - delinquent tax collections	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>

FISCAL IMPACT - State Government  
 (Continued)

FY 2018  
 (10 Mo.)

FY 2019

FY 2020

**PARKS, AND SOIL AND WATER FUNDS**

Additional Revenue - delinquent tax collections

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

**ESTIMATED NET EFFECT ON PARKS, AND SOIL AND WATER FUNDS**

**\$0 to Unknown**

**\$0 to Unknown**

**\$0 to Unknown**

FISCAL IMPACT - Local Government

FY 2018  
 (10 Mo.)

FY 2019

FY 2020

**LOCAL GOVERNMENTS**

Additional Revenue - delinquent tax collections

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

**ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS**

**\$0 to Unknown**

**\$0 to Unknown**

**\$0 to Unknown**

FISCAL IMPACT - Small Business

Small businesses that bid on publically funded projects would be required to include the tax clearance statement with bid forms.

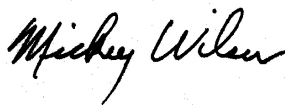
### FISCAL DESCRIPTION

This proposal would enact a requirement that entities bidding on work for publicly funded projects produce statements showing the entity owes no taxes.

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

Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of Administration  
    Division of Budget and Planning  
Department of Conservation  
Department of Natural Resources  
Department of Revenue  
Callaway County  
City of Kansas City  
Bakersfield R-IV School District  
Bronaugh School District  
Concordia R-II School District  
Everton School District  
Forsyth R-III School District  
Kansas City Public Schools  
Kirksville R-III School District  
Parkway School District  
Pettis County R-12 School District  
Warren County R-III School District  
West Plains School District  
Jackson County Election Board



Mickey Wilson, CPA

Ross Strobe

L.R. No. 0532-01  
Bill No. HB 99  
Page 9 of 9  
February 8, 2017

Director  
February 8, 2017

Assistant Director  
February 8, 2017