

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3071-01
Bill No.: Perfected HB 1403
Subject: Transportation; Counties; County Government; County Officials
Type: Original
Date: May 6, 2020

Bill Summary: This proposal modifies provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Office of the Secretary of State** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight inquired of the **Missouri Association of Counties (MAC)** as to how many alternative county highway commissions are currently being utilized. MAC stated they are unaware of any being utilized or of any that have been utilized in the past several years.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, third and fourth class counties 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.

House Amendment 2 (as amended)

Officials from the **City of Springfield** assume the fiscal impact is unknown due to the prohibition on requiring a business license. Further, Section 71.990, RSMo, might result in erosion of property values in neighborhoods where such businesses are located; therefore, reducing the property taxes remitted to the City.

Officials from the **City of Columbia** assume there will be a fiscal impact on their ability to collect business license fees. Gross receipts could be negatively affected.

Officials at the **City of Kansas City** assume this amendment will have an indeterminate negative fiscal impact to the city.

Oversight assumes House Amendment 2 (as amended) allows persons to operate a home-based businesses in their residential dwelling, with certain provisions regulating the home-based business. Oversight assumes there could be a negative unknown fiscal impact to municipalities due to not being able to collect license fees for these businesses.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2021 (10 Mo.)	 FY 2022	 FY 2023
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss - prohibition of business license fees for home-based businesses</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

House Amendment 2 (as amended) may have a fiscal impact on small home-based businesses.

FISCAL DESCRIPTION

This proposal would, for the most part, prohibit cities from restricting the operation of home-based businesses.

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

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SOURCES OF INFORMATION

Department of Transportation
Office of the Secretary of State
City of Springfield
City of Columbia
City of Kansas City



Julie Morff
Director
May 6, 2020



Ross Strope
Assistant Director
May 6, 2020