

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0848-08
Bill No.: SCS for HCS for HB 186
Subject: Counties, Cities: Taxes, Capital Improvements, Economic Development
Type: Original
Date: April 25, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on General Revenue Fund	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Various State Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 22 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 56.060 - 56.660 County Counselor:

Section 56.060 - 56.660 Currently, only first classification noncharter counties are authorized to appoint county counselors. This bill removes that limitation. **Oversight** assumes no fiscal impact.

Section 56.765 County Missouri Office of Prosecution Services Fund:

Oversight assumes no fiscal impact.

Section 64.940 Jackson County Sports Authority Bidding:

Officials of the **Jackson County Sports Authority** did not respond. **Oversight** assumes the Sports Authority currently bids expenditures that exceed \$5,000 and would expect no fiscal impact.

ASSUMPTION (continued)

Section 66.403 Term Limits for Jackson County Officials:

In response to identical legislation, fiscal note 1841-01 officials assumed the following:

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

Jackson County officials did not respond, however, Oversight assumes this proposal does not change the number of elections to be held, just the number of years certain officials would be allowed to hold office. Oversight assumes no local fiscal impact.

Section 67.1305 - Economic Development Sales Tax:

Officials from the **Department of Economic Development** state the bill extends the ability to impose an economic development sales tax to all counties or cities within a county, and should not impact their agency.

Officials from the **Department of Revenue (DOR)** this proposal would not have an impact on their agency. DOR assumes there would be a minor increase in General Revenue from this proposal due to the one percent DOR retains for the cost of collection.

Officials from the cities of **Lebanon** and **Joplin**, as well as the counties of **Laclede** and **Jasper** did not respond to Oversight's request for fiscal impact.

Oversight assumes this proposal is permissive. Voter approval is required before any county or municipal governing body would be authorized to adopt a sales tax for economic development. However, there would be fiscal impact if the governing body would attain such voter approval and additional sales taxes are administered. The fiscal impact would be a positive unknown revenue impact to the state's General Revenue fund from the 1 percent collection fee, as well as the economic development sales taxes collected on behalf of the city or county. Oversight will range this fiscal impact as \$0 to Unknown.

Section 67.1775 Children's Service Fund - Sales Tax:

Officials with the **Department of Revenue (DOR), Department of Social Services and State Treasurer's Office** assume this proposal would have no fiscal impact on their agencies.

ASSUMPTION (continued)

Oversight assumes this proposal stipulates that the Director of Revenue shall administer, collect, and disburse funds collected for the community children's services sales tax that counties are enabled to enact. Oversight further assumes that Jefferson County and St. Charles County have enacted such sales taxes, and that other counties are eligible to do so, pending approval of their voters.

Sections 67.1922 - 67.1934 Sales Taxes for Water Quality, Tourism, and Infrastructure:

Officials of the **Department of Revenue - Sales Tax Division** assume no fiscal impact to the department.

Oversight assumes that this proposal allows the same counties to impose one or more sales tax with voter approval for the purposes of water quality, infrastructure, or tourism. Current law allows only one sales tax to be imposed for the same purposes. Oversight assumes since the maximum sales tax allowed remains the same at one and one-half percent in the aggregate, there would be no fiscal impact. Oversight assumes this section is permissive and would require action by the governing body with voter approval before fiscal impact would be realized.

Section 82.850 - Sales Tax on Food for Museum and Tourism in Cities of Independence, and Joplin:

Officials of the **Department of Revenue** assumes if they were to enter into an agreement to collect the tax, they could handle the additional workload with existing resources.

Oversight assumes if the Department of Revenue collects the sales tax, the DOR would retain a 1% fee for collecting the tax. The amount of money generated by the 1% fee is indeterminable and is unknown. Oversight will show fiscal impact to the State's General Revenue Fund as \$0 to Unknown. The impact would be \$0 if the city would collect it's own sales tax.

Officials of the **City of Independence** stated that a portion of the revenue would be recommended to operate the National Frontier Trails Museum, a facility owned by the State and operated by the City of Independence. The remaining funds would be used for tourism related activities.

Officials estimate that a 2% restaurant tax would generate \$2.6 million annually.

ASSUMPTION (continued)

Oversight assumes there would be two trust funds established. The Museum Trust Fund would be used for museum related purposes and the Tourism-Related Trust Fund. All funds would be appropriated by the City Council

Oversight assumes that the DOR would levy a 1% collection fee on the sales taxes relating to this proposal. However, such revenues would be offset by increased personnel, systems modification and programming, and other collection costs. Oversight cannot speculate as to how counties will seek and attain voter approvals for this tax, thus, it cannot estimate the amount of sales tax collections generated.

Section 94.270 License Fees on Hotels and Motels in the Cities of St. Peters and Berkeley:

Officials of the **City of St. Peters** stated that the city currently receives an estimated \$400,000 annually from the license fee on hotels and motels. Officials stated this proposal would cause a decrease in revenue of approximately \$396,000 annually.

Officials of the **City of Berkeley** stated that currently the city does not assess a license fee on hotels and motels, therefore, officials assume no fiscal impact.

Section 94.660 St. Louis City and St. Louis County - Public Transportation Sales Tax:

Oversight assumes this section is permissive and only changes the maximum amount of sales tax that could be voted upon by the voters. Currently the maximum limit is one-half of one percent. This proposal changes the maximum rate to one percent. Oversight assumes this proposal would require voter approval to change the rate of taxation, therefore, **Oversight** assumes no fiscal impact.

Section 94.837 Transient Guest Tax - Cities of Canton, La Grange, and Edina:

Oversight assumes these cities with voter approval could impose a transient guest tax that could not exceed 5% per occupied room per night. Oversight assumes no state fiscal impact because the Department of Revenue does not collect guest taxes. Oversight assumes the cities, with voter approval would collect an undetermined amount and would spend an undetermined amount on the promotion of tourism. Oversight assumes that the city would not spend more revenue than the amount received which would result in an annual fund balance of either \$0 or a positive unknown. For purposes of this fiscal note annual fiscal impact will be shown as \$0.

ASSUMPTION (continued)

Section 94.838 - Sales Tax City of Lamar Heights:

Officials of the **Department of Revenue - Taxation Division** stated that this legislation potentially creates an item tax where a food establishment would have to collect two different rates. Due to the small number of affected businesses, the department could handle the additional workload with existing personnel.

The **City of Lamar Heights** did not respond.

Oversight assumes the Department of Revenue would withhold a 1% collection fee for collecting the sales tax on food. Therefore, Oversight will show income to the State's General Revenue Fund as a positive unknown.

Section 144.044 - Modular Homes - Classification for Tax Purposes:

Officials with the **Office of Administration – Division of Budget and Planning (BAP)** assume this proposal exempts modular home from sales tax by classifying a portion of the sales price and freight charges as a service. BAP further assumes that it classifies manufacturers of modular homes as contractors. BAP assumes this legislation would have a unknown negative impact on General Revenue from the exemption of sales tax monies, but that it would have no fiscal impact on their agency.

Officials with the **Department of Revenue (DOR)** assume this legislation would create a slight decrease in state revenues, but that the act would have no fiscal impact on DOR.

Officials with **Jasper County and the City of Columbia** assume their governments would see a decrease in sales tax revenues as a result of this proposal.

Officials with the **City on Independence and the City of Springfield** assume this legislation would have no significant fiscal impact on their governmental bodies.

Oversight does not have sufficient data related to sales of new modular housing units in Missouri as defined in Section 700.010, RSMo, therefore **Oversight** assumes an unknown loss of states revenues (expected to exceed \$100,000) and an unknown loss of local revenues as a result of this act.

ASSUMPTION (continued)

Section 184.357 Metropolitan Zoological Park and Museum District:

Officials of the **City of St. Louis** stated that this proposal would have no fiscal impact on the City.

Oversight assumes this is enabling legislation and would have no fiscal impact, unless the board of directors of the Metropolitan Zoological Park and Museum District would seek voter approval to increase the tax rate of up to six cents per one hundred dollars of assessed valuation.

Oversight assumes that this proposal as written does not mandate the museum district to place before the voters the question of increasing the tax rate, that act is discretionary, nor does this proposal mandate an increase in the tax rate. Therefore, Oversight assumes this proposal would have no fiscal impact.

Oversight will show fiscal impact as \$0 if the tax increase were placed on the ballot and were defeated, or if it were never placed on the ballot, to Unknown revenue if the question were placed on the ballot and passed by the voters of the district. Oversight assumes if the tax increase were passed there is no way to determine the amount of revenue that would be generated by the tax.

Sections 321.552 and 321.554 Ambulance/Fire Protection Districts - St. Louis, St. Charles Counties:

Oversight assumes Ambulance and Fire Protections Districts located in St. Louis County and St. Charles County would be allowed to seek voter approval to impose a sales tax in an amount of up to one-half of one percent on all retail sales. Monies generated by the sales tax could only be used for operation of the district.

Oversight assumes the Department of Revenue would collect the sales tax, if one were approved, and would retain a 1% collection fee that would be deposited in the State's General Revenue Fund. Fiscal impact is shown as \$0 or Unknown.

Section 1 - Sales Tax for Public Recreational Projects and Programs:

Oversight assumes that this proposal would have fiscal impact, provided the voters of Madison County would approve the imposition of a sales tax that could not exceed 1%. Department of Revenue would retain a 1% collection fee, which would be deposited in the State General Revenue Fund.

ASSUMPTION (continued)

Local government would have no fiscal impact without action by their governing body with voter approval.

Section 570.120 Bad Checks - Prosecution:

Officials from the **Office of the Attorney General, Department of Economic Development,** and the **Department of Public Safety – Missouri State Highway Patrol** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator (CTS)** assume the proposed legislation would increase the penalty for writing a bad check, and increase the costs assessed by the prosecutor. Since all moneys are paid to the prosecutors, CTS would not anticipate a fiscal impact on the judiciary.

Officials from the **Office of Prosecution Services** defer to the Greene County Prosecutor to estimate the fiscal impact for prosecutors.

Officials from the **Greene County Prosecutor's Office** assume they would potentially see an increase of \$113,034 in 2006 over the \$134,371 they earned in fees in 2004, making the fees received in 2006 total \$247,405. Officials assume the actual increase would be less than this maximum, as they anticipate bad checks submitted to prosecuting attorney offices to decline in the next few years due to the new federal banking rules and the advent of electronic devices which allow businesses to automatically transfer money. The increase will vary by county.

Officials from the **Office of the State Public Defender (SPD)** assume existing staff could provide representation for those few cases arising where indigent persons were charged for those few cases arising from the modification of provisions relating to passing bad checks. Passage of more than one bill increasing penalties on existing crimes or creating new crimes would require the SPD to request increased appropriations to cover the cumulative cost of representing indigent persons accused in the now more serious cases or in the new additional cases.

Officials from the **Department of Corrections (DOC)** assume this bill modifies provisions relating to passing bad checks. Penalty provisions are enhanced from a class D to a class C felony in specified instances.

ASSUMPTION (continued)

DOC had 39 offenders sentenced to prison in FY04 on class D felonies for bad check writing. They spent an average time of 10.8 months in prison. Class C felons (for a comparable type of crime) would spend an average time of 17 months. 39 offenders who would now spend 6.2 months longer in prison calculates to an additional 20 offenders per year with the majority of the effect felt in the second year out.

Less people are originally given a probation sentence for a class C felony than for a class D; the likelihood increases to receive prison time instead. This aspect of the bill accounts for an unknown fiscal impact.

DOC estimates the increase in population will increase incrementally over the fiscal year. For cost estimates, a snapshot of the midyear average population was used to determine fiscal impact.

Assumptions used to determine cost and rounded to the nearest whole number include:

- \$38.37 (FY04 cost) inmate per capita costs with an inflation rate of 3% per each subsequent year.
- \$3.15 (FY03 cost) average daily probation costs with an inflation rate of 3% per each subsequent year.

The following charts detail the estimated fiscal impact for the scope of the fiscal note (FYs 2006, 2007, and 2008), the estimated ten-year fiscal impact, and the assumptions used in determining these costs:

Bad Check Felony Assumptions			
	<u>Cost</u>	<u>Days</u>	<u>Total</u>
Operating Expenses	38.37	365	14,005
Construction (C4 or C5 \$55,000)			0
Emergency Housing	0.00	365	0
Operating Inflation (3.0%)			1.030
Emer. Hsng. Inflation (10%)			1.100
Construction Inflation (3.0%)			1.030

ASSUMPTION (continued)

	End FY Population	Average Population	Emer Hsng Expense	Operating Expense	Construction Expense	Total Cost w/ Inflation
FY 2005	0	(current year which will have no costs incurred)				
FY 2006	0	0	0	\$0	0	\$0
FY 2007	20	10	0	\$140,050	0	\$148,579
FY 2008	20	20	0	\$280,100	0	\$306,073
FY 2009	20	20	0	\$280,100	0	\$315,255
FY 2010	20	20	0	\$280,100	0	\$324,713
FY 2011	20	20	0	\$280,100	0	\$334,454
FY 2012	20	20	0	\$280,100	0	\$344,488
FY 2013	20	20	0	\$280,100	0	\$354,822
FY 2014	20	20	0	\$280,100	0	\$365,467
FY 2015	20	20	0	\$280,100	0	\$376,431
Total Ten-Year Fiscal Impact:						\$2,870,282

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY04 average of \$38.37 per inmate, per day or an annual cost of \$14,005 per inmate) or through supervision provided by the Board of Probation and Parole (FY03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender).

In summary, supervision by the DOC through incarceration or probation would result in additional costs and although the exact fiscal impact is unknown, DOC estimates that potential costs will be in excess of the indicated measurable dollar amount per year.

Section 1 - Madison County Sales Tax - Recreation:

Oversight assumes this proposal is permissive and would require action by the County's governing body, and with voter approval.

ASSUMPTION (continued)

Oversight assumes if the voters were to approve by vote, a sales tax that could not exceed 1%, the State Department of Revenue would collect the tax and would retain a 1% collection fee, which would be deposited in the State's General Revenue Fund. The amount of revenue generated from the collection fee is indeterminable and unknown.

The county would receive an unknown amount of revenue from the sales tax, and would have unknown costs of providing recreational projects. **Oversight** assumes the county would not spend more than it receives annually, which would result in a recreational fund balance of either \$0 or a positive unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2006	FY 2007	FY 2008
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GENERAL REVENUE FUND

<u>Income to DOR</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
1% collection fee (Section 94.838)			

<u>Income to DOR</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
1% collection fee for economic development sales tax (Section 67.1305)			

<u>Income to DOR</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
1% collection fee (Section 67.1922)			

<u>Income to DOR</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
1% collection fee (Section 82.850)			

<u>Income to DOR</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
from 1% collection fee (Section 1)			

<u>Income – DOR</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
1% Collection Fees (Section 67.1775)			

<u>Income - DOR</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
1% Collection Fees (section 321.552, and 321.554)			

<u>FISCAL IMPACT - State Government</u>	FY 2006	FY 2007	FY 2008
<u>Cost</u> – DOR			
Expenses Related To Sales Tax Collections (Section 67.1775)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> – Sales Tax Exemption (Section 144.044)	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> – Department of Corrections			
Incarceration/probation costs (section 570.120)	<u>\$0</u>	(\$148,579 to <u>Unknown</u>)	(\$306,073 to <u>Unknown</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
OTHER STATE FUNDS			
<u>Loss</u> – Various State Funds			
Sales Tax Exemption (section 144.044)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>(Unknown)*</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006	FY 2007	FY 2008
CITY OF LAMAR HEIGHTS CAPITAL IMPROVEMENTS TRUST FUND (Section 94.838)			
<u>Income</u> to Capital Improvements Trust Fund			
from voter approved sales tax on food, and transient guest tax on lodging.	Unknown	Unknown	Unknown

FISCAL IMPACT - Local Government FY 2006 FY 2007 FY 2008

Cost to Capital Improvements Trust Fund

from funding capital improvement projects	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO CAPITAL IMPROVEMENTS TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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LOCAL POLITICAL SUBDIVISIONS (Section 67.1305)

<u>Income</u> - Economic Development sales tax collections	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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Estimated Net Effect to Local Political Subdivisions (Section 67.1305)*	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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CITY OF INDEPENDENCE

<u>Income</u> to Museum Trust Fund from sale tax- appropriation	Unknown	Unknown	Unknown
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<u>Cost</u> to Museum Trust Fund museum related activities	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO MUSEUM TRUST FUND * (Section 82.850)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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TOURISM-RELATED TRUST FUND

<u>Income</u> to Tourism-Related Trust Fund from sales tax appropriation	Unknown	Unknown	Unknown
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<u>FISCAL IMPACT - Local Government</u>	FY 2006	FY 2007	FY 2008
<u>Cost</u> to Tourism-Related Trust Fund providing tourism related activities	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO TOURISM-RELATED TRUST FUND* (Section 82.850)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
POLITICAL SUBDIVISIONS			
<u>Savings</u> – Reduced Tax Collection Costs (Section 67.1775)	Unknown	Unknown	Unknown
<u>Loss</u> – Cities and Counties Sales Tax Exemption (Sec. 144.044) *	(Unknown)*	(Unknown)*	(Unknown)*
ESTIMATED NET EFFECT TO POLITICAL SUBDIVISIONS (Sections 67.1775 and 144.044)*	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
* Loss expected to exceed \$100,000 annually.			
CITY OF ST. PETERS			
<u>Loss of Revenue</u> to City of St. Peters From reduction is license fee. (section 94.270)	<u>(\$396,000)</u>	<u>(\$396,000)</u>	<u>(\$396,000)</u>
ESTIMATED NET EFFECT TO CITY OF ST. PETERS	<u>(\$396,000)</u>	<u>(\$396,000)</u>	<u>(\$396,000)</u>

FISCAL IMPACT - Local Government

FY 2006

FY 2007

FY 2008

**CITIES OF CANTON, LA GRANGE,
AND EDINA TOURISM FUND**

Income to City Tourism Fund

(Section 94.837)

From transient guest tax

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

Cost to City Tourism Fund

From promotion of tourism

(Section 94.837)

\$0 or
(Unknown)

\$0 or
(Unknown)

\$0 or
(Unknown)

**ESTIMATED NET EFFECT TO
CERTAIN CITIES TOURISM FUND**

\$0

\$0

\$0

**METROPOLITAN ZOOLOGICAL
PARK SUB-DISTRICT (Section
184.357)**

Income to Mo. History Museum Sub-
district

from voter approved tax increase

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

Cost to Mo. History Museum Sub-district

from supporting the sub-district

\$0 or
(Unknown)

\$0 or
(Unknown)

\$0 or
(Unknown)

**ESTIMATED NET EFFECT TO
ZOOLOGICAL PARK SUB-
DISTRICT (Section 184.357)***

\$0

\$0

\$0

**AMBULANCE /FIRE PROTECTION
DISTRICTS IN ST. LOUIS COUNTY
AND ST. CHARLES COUNTY**

Income to Ambulance/Fire Districts

From voter approved sales tax

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

<u>FISCAL IMPACT - Local Government</u>	FY 2006	FY 2007	FY 2008
<u>Cost</u> to Ambulance /Fire Districts From providing emergency services	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)
ESTIMATED NET EFFECT TO AMBULANCE/FIRE PROTECTION DISTRICTS IN ST. LOUIS, ST. CHARLES COUNTIES (Sections 321.552 and 321.554)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
POLITICAL SUBDIVISIONS /PROSECUTOR'S FUND			
<u>Revenues</u> – County prosecuting attorneys Administrative handling costs	More than \$100,000	More than \$100,000	More than \$100,000
<u>Costs</u> – County prosecuting attorneys	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
ESTIMATED NET EFFECT ON COUNTY PROSECUTORS/POLITICAL SUBDIVISIONS (Section 570.120)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
MADISON COUNTY RECREATION TRUST FUND (Section 1)			
<u>Income</u> to Recreation Trust Fund From voter approved sales tax (section 1)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> to Recreation Trust Fund From providing recreation projects and programs. (section 1)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)	<u>\$0 or</u> (Unknown)

FISCAL IMPACT - Local Government FY 2006 FY 2007 FY 2008

ESTIMATED NET EFFECT TO **\$0** **\$0** **\$0**
MADISON COUNTY RECREATION
TRUST FUND (section 1)

ESTIMATED NET EFFECT TO **Unknown to** **Unknown to** **Unknown to**
LOCAL GOVERNMENT **(Unknown)** **(Unknown)** **(Unknown)**

*** Oversight assumes annual cost would not exceed income, which would result in a \$0 or positive unknown fund balance. For purposes of this fiscal note Oversight will show annual fiscal impact as \$0.**

FISCAL IMPACT - Small Business

Small businesses located within the City of Lamar Heights that are in the food business or lodging business would be expected to collect an additional tax on food items and hotel/motel rooms as defined by this proposal. (Section 94.838)

Food establishments located within the sales tax district would be expected to collect and account for all sales tax. (Section 82.850), (Section 67.1922),

Small businesses that construct or sell modular units could possibly see an increase in consumer demand for the product as a result of this tax exemption.

DESCRIPTION

Section 56.060 - 56.660 Currently, only first classification noncharter counties are authorized to appoint county counselors. This bill allows all counties except St. Charles County from these provisions.

Section 56.312 allows the tax collection fee authorized in sections 50.525 to 50.745 to be used for expenses related to the investigation or prosecution of criminal conduct.

Section 56.765 clarifies that the Missouri Office of Prosecution Services Fund is to be administered by the County Prosecuting Attorney or Circuit Attorney and not the County Commission. Monies in the Fund are not to be budgeted. Monies in the fund may be used for any other expenses related to investigations or prosecution of criminal conduct.

DESCRIPTION (continued)

Section 64.940 requires that any expenditure made by the Jackson County Sports Authority that is over \$5,000, including professional service contracts, must be competitively bid.

Section 66.403 provides that no person would be elected to serve more than eight years total as the County Executive or in the Legislature of Jackson County. In applying this section, service resulting from an election prior to this act becoming effective, or service of less than two years, in the case of a member elected after the effective date of this section to complete the term of another person would not be counted.

Section 67.055 provides that any moneys received or collected to fund additional costs and expenses incurred by any county office, excluding money collected under any section in effect before September 1, 2005 would be subject to the "County Budget Law".

Section 67.1159 provides that any tax, interest, or penalty imposed under sections 67.1150 - 67.1158 that is not paid when due, the authority may record the amount of tax specified and notice of lien would have the force and effect of a lien against the real and personal property of the business owing the tax.

Section 67.1305 authorizes all municipalities and counties to impose, upon voter approval, a local economic development sales tax not to exceed 0.5%.

Section 67.1775 of this legislation requires that all revenue derived from local community children's services sales taxes be collected by the Department of Revenue and deposited into a Community Children's Services Fund for distribution to the appropriate revenue-source county.

Section 67.1809 of this act specifies the jurisdiction of the regional taxicab commission. Under this act, the regional taxicab commission may exercise jurisdiction over any person who engages in the business of transporting passengers in commerce, wholly within the regional taxicab district, in any motor vehicle designed or used to transport not more than eight passengers including the driver.

The jurisdiction of the regional taxicab commission shall not apply to:

(1) Operators who are required to be licensed, supervised and regulated by the state highways and transportation commission. The regional taxicab commission's jurisdiction shall not extend to motor vehicles transporting passengers within the district in interstate commerce, and those interstate operations are subject to the powers of the state highways and transportation commission;

DESCRIPTION (continued)

(2) Motor vehicles that are operated exclusively by not-for-profit corporations or governmental entities, whose operations within the regional taxicab district are subsidized, wholly or in part, with public transit funding (federal or state);

(3) Vehicles that transport one or more passengers upon the public highways in a continuous journey from a place of origin within the regional taxicab district to a destination outside the district, or from a place of origin outside the district to a destination within the district, either with or without a return trip to the point of origin.

Every person, partnership or corporation who becomes subject to the jurisdiction of the regional taxicab commission which was previously under the jurisdiction (through permit or certificate) of the state highways and transportation commission is deemed to be licensed, permitted and authorized by the regional taxicab commission, and the vehicles and drivers used by such motor carriers are hereby deemed to be licensed, permitted and authorized by the regional taxicab commission to operate and engage in the transportation of passengers within the regional taxicab district, to the same extent as they were formerly licensed, permitted and authorized by the highways and transportation commission on August 27, 2005. Such motor carriers, drivers and vehicles are exempt from applying for any license, certificate, permit or other credential issued or required by the regional taxicab commission, except that the regional taxicab commission may, after December 31, 2005, require such motor carriers and drivers to apply and pay the regular fees for annual renewals of such licenses, permits, certificates or other credentials, pursuant to uniform requirements applicable to all motor carriers, vehicles and drivers operating within the regional taxicab district.

Section 67.1922 - 67.1934 Currently, certain counties with significant lake shoreline are authorized, upon voter approval, to impose a single retail sales tax not to exceed 1.5% for the purpose of promoting water quality, infrastructure, and tourism. The bill modifies that authorization so that voters can approve one or more retail sales taxes not to exceed 1.5% in the aggregate for the purpose of affecting water quality, infrastructure, or tourism, singularly or in any combination.

Section 67.2555 requires Jackson County officials to competitively bid any expenditure of more than five thousand dollars.

DESCRIPTION (continued)

Section 82.850 authorizes the City of Independence, and the City of Joplin upon voter approval, to impose a sales tax in increments of one-eighth of 1% up to a maximum of 2% on all retail sales of food within the city to be used for museums and tourism-related activities. Museum and tourism-related activities that will qualify for the tax revenue are defined as well as the method of collecting the tax. A procedure is established for the repeal of the tax.

Section 94.270 limits the amount of annual license fees to \$1,000 that the City of St. Peters could collect on hotels and motels, and limits the amount of annual license fee to \$12,000 that the City of Berkeley could collect on hotels and motels. License taxes could be increased by 5% annually, but the total tax levied could not exceed one-eight percent of such hotel's or motel's gross revenue.

Section 94.660 changes the maximum amount of public transportation sales tax that St. Louis City and County could impose from one-half of one percent to one percent. The tax would have to be approved by the voters.

Section 94.700 changes the definition of City to mean a city, town, or village with a population of 100 or more inhabitants. Current law is 200 or more inhabitants.

Section 94.837 authorizes the cities of Canton, La Grange, and Edina to impose a transient guest tax, upon voter approval, on all hotels and motels within their city limits. This tax cannot exceed 5% per occupied room per night.

Section 94.838 authorizes the City of Lamar Heights to impose, upon voter approval, a room tax of not more than 6% per night and a local sales tax on food of not more than 2%. These taxes will be in addition to any other taxes authorized by law and used solely for capital improvements.

Section 115.348 states that no person would qualify for elective public office who has been convicted of or pled guilty to a felony or misdemeanor under the federal laws of the United State of America.

Section 136.150 provides that collection fees paid to Prosecuting Attorneys or Circuit Attorneys, for the collection of delinquent taxes, licenses, and fees, by the state would not be budgeted by the county, and would no longer be under the control of the County Commission or Executive. The County Prosecutor or Circuit Attorney would have administrative control of the fees, and how they are spent. Fee money could be spent for investigations and prosecution of criminal conduct. Fees would be deposited in a separate special interest bearing fund.

DESCRIPTION (continued)

Section 144.044 classifies 40% of a modular unit manufacturer's invoice plus any carrier charge and freight charges as the sale of a service and not the sale of tangible personal property. The manufacturer of modular units shall be considered a contractor, and the tax rate shall be computed on the use tax rate at the location where the modular unit is being placed.

Section 184.357 creates additional ballot language that would enable a Missouri history museum subdistrict located in a Metropolitan Zoological Park and Museum District to put a proposal before the voters of the district to increase its property tax. This tax increased would be up to a maximum rate of six cents per hundred dollars assessed valuation.

Section 198.345 allows nursing home districts in Ralls and Marion counties to provide apartments for seniors.

Sections 210.860 and 210.861 modifies the law by clarifying that the sole purpose of the tax is to provide services to protect the well-being and safety of children and youth and to strengthen families.

Sections 321.552 and 321.554 is amended to allow Ambulance and Fire Protection Districts located in St. Louis County, to seek voter approval to impose a sales tax in an amount of up to one-half of one percent on all retail sales, for purposes of operating the district, and property taxes would be reduced annually by an amount which reduces property tax revenues by an amount equal to fifty percent of the previous year's revenue collected from the sales tax.

Sections 473.770 and 473.771 grants the Public Administrators the authority to delegate to any Deputy appointed by the Administrator, the duties of the Public Administrator enumerated in Sections 473.743, 475.120 and 475.130 RSMo.. Section 473.770 extends authority to Administrators in all first class counties. Section 473.771 grants authority to Administrators in all other counties.

Section 1 Authorizes Madison County to impose, upon voter approval, a local sales tax up to 1% to improve for public recreational projects and programs, including land acquisition.

Section 2 Provides that any official of Jackson County who pleads guilty to or is a convicted of a federal felony while serving in his or her official capacity, would not be allowed to receive any county pension.

DESCRIPTION (continued)

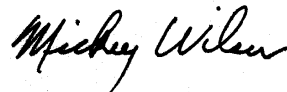
Section 483.260 is repealed. This section provides that the City of St. Louis Circuit Clerk could employ an many attorneys as needed to aid in the discharge of the clerk's duties. The attorney or attorneys would receive in the aggregate as compensation for their services twenty-five thousand dollars per annum, payable out of the state treasury.

The bill contains an emergency clause for Section 94.838.

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 Attorney General
Office of Secretary of State
Department of Revenue - Taxation Division
Department of Economic Development
Department of Social Service
Office of State Treasurer
Office of Administration
Department of Public Safety
Office of State Courts Administrator
Office of Prosecution Services
Office of State Public Defender
Department of Corrections
City of Independence
City of St. Peters
City of Berkeley
City of Columbia
Jasper County Commission
City of Springfield
City of St. Louis
Greene County Prosecuting Attorney



Mickey Wilson, CPA
Director
April 25, 2005