

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0086-09  
Bill No.: SS for SCS for HB 69 w/ SA 1  
Subject: Political Subdivisions  
Type: Original  
Date: May 17, 2007

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Bill Summary:           Modifies laws relating to political subdivisions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	(More than \$18,349,205)	(more than \$13,300,518)	(more than \$9,873,894)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(More than \$18,396,074)</b>	<b>(more than \$13,300,518)</b>	<b>(more than \$9,873,894)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Board of Fund Commissioners	\$0	\$0	\$0
State School Monies	\$0	\$0	\$0
Highway	(\$8,400 to Unknown)	(Unknown)	(Unknown)
School District Trust	(\$5,945,500 to Unknown)	(\$4,290,000 to Unknown)	(\$3,144,500 to Unknown)
Parks and Soil	(\$594,550 to Unknown)	(\$429,000 to Unknown)	(\$314,450 to Unknown)
Conservation	(Unknown)	(Unknown)	(Unknown)

Road	At Least \$33,610,738	More than \$26,805,250	More than \$19,674,512
Blind Pension Trust	(Unknown)	(Unknown)	(Unknown)
Bingo Proceeds for Education Fund	(\$1,658,000)	(\$1,990,000)	(\$1,990,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$25,404,288 to (Unknown)</b>	<b>\$20,096,250 to (Unknown)</b>	<b>\$14,225,562 to (Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 27 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	3 FTE	3 FTE	3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>

☒ 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 2008	FY 2009	FY 2010
Local Government	(\$11,604,396 to Unknown)	(\$8,426,742 to Unknown)	(\$6,138,343 to Unknown)

### FISCAL ANALYSIS

#### ASSUMPTION

#### **JACKSON COUNTY - TAX MAINTENANCE FUND: (Section 52.290 and 52.312)**

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

Officials of the **State Tax Commission** and the **Department of Revenue** assume no fiscal impact to their agencies.

**Oversight** assumes that the changes made in Sections 52.290 and 52.312 would require the Jackson County Collector to charge a fee of three percent on delinquent and back tax statements, for the collection of such taxes, rather than the two percent currently allowed.

**Oversight** assumes this proposal would require Jackson County to establish a Tax Maintenance Fund as required in Section 52.312, and to deposit one-third of the three percent collected on delinquent taxes into that fund. The remaining two-thirds of the three percent collected would continue being deposited into the County General Revenue Fund. Jackson County currently collects two percent which all goes to the County's General Revenue Fund. **Oversight** assumes no fiscal impact to the County's General Revenue Fund.

**Oversight** will show fiscal impact to Jackson County's Tax Maintenance Fund as a positive unknown.

**Oversight** notes there would be some insignificant savings from not having to send out tax sale notices as certified mail.

**Oversight** sent response request to Jackson County and they did not respond.

ASSUMPTION (continued)

**JEFFERSON COUNTY : ORDINANCE ENFORCEMENT: (Section 67.320)**

**Oversight** assumes that currently, Jefferson County may adopt orders consistent with state law with penal provisions in the areas of traffic violations, solid waste management, and animal control. Under this section the county would be able to adopt such orders in any area covered by the county's ordinances.

**Oversight** assumes that Jefferson County could expect an increase in fine revenue. In fiscal note 5300-01 of last session Jefferson County officials estimated an increase in revenue of \$20,000 to \$40,000 annually.

Officials of the **Department of Elementary and Secondary Education** assume the school districts in Jefferson County could realize a reduction in the amount of fine revenue. Officials did not estimate the amount of expected loss.

**Oversight** assumes any loss would be minimal, and less than \$100,000 annually. Oversight assumes any loss to schools would be made up from the State's School Monies Fund resulting in no fiscal impact to Jefferson County Schools.

**LOCAL OPTION SALES TAX:**

**Oversight** assumes the following sections have the potential to impact the State's General Revenue Fund. Sections 67.997, 67.2040, 67.2510, 92.500, and 94.950 are **considered to be permissive and as written does not require certain defined local governments to initiate sales taxes for certain purposes.**

Before there would be fiscal impact, the governing body would have to place the question of imposing a sales tax to the voters of the defined district. **Oversight** is showing this because the Department of Revenue- Sales Tax Division would collect the tax, and would **retain a 1% collection fee which would go into the State's General Revenue Fund. Fiscal impact will be shown as \$0 or a positive unknown.** If none of the political subdivisions would impose a sales tax there would be no fiscal impact to the General Revenue Fund. If a tax were approved, the 1% collection fee would go into the General Revenue Fund. The amount is unknown.

Officials of the **Department of Revenue** assumes any costs could be handled with existing resources and assume no fiscal impact.

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ASSUMPTION (continued)

Officials of the **Office of Administration - Information Technology** stated that any cost could be handled with existing resources and assume no fiscal impact.

**LOCAL OPTION TRANSIENT GUEST TAX:**

**Oversight** assumes Sections 67.1003, 67.1016, and 67.1360 allows cities to impose, with voter approval, a transient guest tax. Section 67.1016 allows any county of the second, third or fourth classification, with voter approval, to impose a transient guest tax. **Oversight** assumes the taxes to be permissive. Both would require action by the governing body with voter approval.

**Oversight** will show income and costs to tourism funds as unknown. **Oversight** assumes costs would not exceed income resulting in a zero annual fund balance or an annual positive fund balance. For purposes of this fiscal note fiscal impact will be shown as \$0.

**Oversight** assumes any action would require approval of the governing body with voter approval. Oversight assumes no fiscal impact from this section.

**LOCAL OPTION TOURISM TAXES: AUDIT**

Section 67.1181 requires political subdivisions that collect and expend tax revenues for advertising and tourism promotion to perform an audit at least every 5 years provided no other statutory auditing requirement exists. Cost of the audit would be paid from revenues for operating costs. The first audit would be completed by January 1, 2009.

**Oversight** will show costs to the County's Tourism Fund as unknown. **Oversight** assumes costs would be minimal.

**KANSAS AND MISSOURI INVESTMENT DISTRICT COMPACT: (Section 70.515)**

Section 70.515 this section changes provisions of the Kansas and Missouri Regional Investment District Compact.

**In response to identical legislation fiscal note 2520-01 SB 671, the following fiscal impact statements were made:**

Officials from the **City of Kansas City** assume the proposal would have no adverse or beneficial impact on their city.

ASSUMPTION (continued)

Officials from the **City of St. Joseph** and the counties of **Jackson, Platte** and **Buchanan** did not respond to our request for fiscal impact.

**Oversight** assumes this proposal is permissive in nature and requires voter approval for such district compact to be enacted. In the fiscal note for the enabling legislation (SB 825 in 2006), Oversight reflected a \$0 to potential unknown amount of revenue that would be collected by the state's Department of Revenue for the 1% collection fee of the sales tax that could be generated for such a district. Oversight also reflected a \$0 to Unknown amount of sales tax revenue to local political subdivisions as well as an offsetting \$0 to (Unknown) cost for funding the operation of the regional projects and commission. Therefore, Oversight assumes the fiscal impact of this proposal has already been reflected in the fiscal note for the truly agreed to and finally passed SB 825 in 2006, and will not reflect additional fiscal impact from the changes contained in this proposal.

**RETIREMENT BENEFITS FOR FIREFIGHTERS: (Section 87.006:**

Officials of the **Joint Committee on Public Employee Retirement** stated that their review of this legislation would indicate that such legislation would not create a "substantial proposed change" in future plan benefits as defined in Section 105.660(5). Therefore, an actuarial cost statement is not required.

Officials of the **Missouri Local Government Employees' Retirement System (LAGERS)** stated that "more fire members of LAGERS are classified as duty disabilities as opposed to non-duty disabilities due to House Bill 375, benefits paid out of the retirement system would increase. Depending upon the level of increase in disability and death-in-service benefits due to the reclassification from non-duty to duty, an increase in computed employer contribution rates may be required in the future".

**CITIES OF THE THIRD CLASS - STORM WATER USER FEES: (Section 88.832)**

Section 88.832 exempts churches, public schools, nonprofit organizations, and political subdivisions located in any city of the third classification that imposes a storm water user fee from paying the fee.

**Oversight** assumes there would be a loss of revenue to certain cities that impose a user fee on

storm water programs. **Oversight** assumes loss of revenue would not be significant and will show loss of revenue as minimal.

ASSUMPTION (continued)

**ST. LOUIS COUNTY AND CITY TRANSPORTATION SALES TAX (Section 94.660)**

This amendment removes the coupling provision in Section 94.660 which requires both the city and the county to approve a transportation sales tax before the tax could go into effect in either jurisdiction. **Oversight** assumes no fiscal impact.

**Section 144.030 (House Amendment 45) SALES TAX EXEMPTION FOR COMMON CARRIERS:**

Officials of the **Missouri Department of Transportation** stated this amendment expands the sales tax exemption for common carriers which would lead to a reduction in sales tax revenue. MoDOT has no basis for estimating the negative impact therefore, there is a substantial negative unknown fiscal impact to the Highway Fund from this proposal.

**Section 144.030 - SALES TAX EXEMPTION ON TEXTBOOKS, AS DEFINED BY SECTION 170.051, RSMo.**

Provides for a sales tax exemption on textbooks when purchased by a person at any Missouri public or private university, college, or other postsecondary institution of higher learning. The exemption is from state and local sales taxes and use taxes.

**Sections 144.030 and 144.062 - SALES TAX EXEMPTIONS FOR SPORTS AUTHORITIES:**

Officials of the **Department of Revenue** assume no fiscal impact to their department. Officials did not submit an estimate of sales tax revenues that would be lost.

**Section 144.062.6 - SALES TAX EXEMPTION ON MATERIALS USED IN CONSTRUCTION OF HIGHWAYS, AND OTHER DHT PROJECTS:**

**In response to almost identical legislation, fiscal note 0175-01 HB 248, the following fiscal impact statements were made:**

Officials at the **Missouri Department of Transportation** (MoDOT) assume this legislation exempts contractors from paying sales tax on materials used in MoDOT projects. Section 144.062, RSMo., currently exempts sales of personal property and materials used for the purpose



of constructing, repairing, or remodeling facilities for counties, other political subdivisions and certain exempt entities from the state sales tax. This bill would add the Department of Transportation as an exempt entity. Therefore, materials could be purchased by a contractor for ASSUMPTION (continued)

a MoDOT project on a tax-exempt basis.

The sales tax which contractors currently pay on materials purchased for MoDOT projects is included in the project cost which is paid by MoDOT. Assuming that contractors would reduce their project costs due to the ability to purchase materials on a tax-exempt basis, this bill would result in a cost savings for MoDOT.

Based on 2007-2011 Statewide Transportation Improvement Program (STIP); 50 percent of construction contracts is labor, 50 percent is materials; July 1, 2008 effective date; sales tax rate of 4.225%. The cost savings were calculated as follows:

Fiscal Year	STIP Awards	% Materials	Material Cost	Sales Tax Rate	Cost Savings
2008	\$1,189,100,000	50%	\$594,550,000	4.225%	\$25,119,738
2009	\$858,000,000	50%	\$429,000,000	4.225%	\$18,125,250
2010	\$628,900,000	50%	\$314,450,000	4.225%	\$13,285,513
2011	\$490,000,000	50%	\$245,000,000	4.225%	\$10,351,250
2012	\$490,000,000	50%	\$245,000,000	4.225%	\$10,351,250

MoDOT assumes there would be an additional amount of cost savings for the local sales tax, however the amount would vary by city/county. Therefore the additional savings is unknown.

Officials at the **Office of Administration's Budget and Planning** assume this bill would exempt contractors from paying sales tax on Missouri Department of Transportation, and the State Highways and Transportation Commission projects. This proposal will decrease General and Total State Revenues. The Department of Transportation should provide the estimate of possible increased costs and revenues to the state as a result of this proposal.

**Oversight** calculated the revenue impact to include a tax loss impact to local government with a sales tax rate of 2%. The chart below shows the breakdown of the tax impact on the projected materials cost.

**Oversight** assumes this proposal would create a savings for the Road Fund of \$37.0 million in FY 08; \$26.7 million for FY2009; and \$19.5 million for FY2010. This savings is passed on to

ASSUMPTION (continued)

MoDOT as it is calculated into the materials cost submitted by the vendors. Combined gains in the Road Fund equal the losses to the General Revenue Fund, School District Trust Fund, Conservation Fund, Parks and Soils Fund and local city/county funds from this proposal.

**Oversight** assumes that a reduction in the federal reimbursement may occur as a result of the tax loss. The federal impact is unknown.

	Fiscal Year 2009	Fiscal Year 2010
Materials Cost	\$429,000,000	\$314,450,000
GR Fund 3%	\$12,870,000	\$9,433,500
School Fund 1%	\$4,290,000	\$3,144,500
Conservation Fund .125%	\$536,000	\$393,063
Parks and Soil Fund .1%	\$429,000	\$314,450
Local 2%	\$8,580,000	\$6,289,000
Total Savings to Road Fund	\$26,705,250	\$19,574,512

Officials at the **Department of Revenue** assume no fiscal impact for their department for this proposal.

Officials at the **Department of Conservation (MDC)** state this legislation would appear to have a negative fiscal impact on MDC funds since it appears to exempt highway construction materials and other MoDOT projects from sales tax. However, MDC is unable to provide the estimated amount and will rely on DOR for the fiscal impact of this legislation.

Officials at the **City of Centralia**, and **St. Louis County** each assume no fiscal impact from this proposal.

Officials at the **Taney County** and **Greene County** assume an unknown loss of revenue.

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No other Cities or Counties responded to **Oversight's** request for information.

ASSUMPTION (continued)

**CERTAIN SCHOOL DISTRICT MODIFIER - (Section 163.016):**

Section 163.016 provides that any school district located in more than one county and whose headquarters are located within Monroe City and located in more than one county, the county signified in the school district number shall be the county in the district with the highest dollar value modifier.

Officials of the **Department of Elementary and Secondary Education** assume estimate the cost of providing additional state aid would be \$33,707 in FY 2008; \$50,657 in FY 2009; and \$50,657 in FY 2010. Officials assume costs would affect the State General Revenue Fund.

**AMBULANCE DISTRICTS - BOARD MEMBERS: TRAINING**

Section 190.053 requires ambulance board members first elected after January 1, 2008 to complete educational training.

Officials of the **Department of Health and Senior Services** stated this proposal would have no fiscal impact on their department's appropriations. Officials assume ambulance districts would have some costs. Officials could not estimate cost.

**Oversight** assumes the amount of cost per ambulance district would depend upon the number of members requiring training, location of training, and whether board members would have to travel, require lodging, and meals. **Oversight** will show costs as \$0 to (unknown).

**Sections 644.597, 644.598, and 644.599 STORM WATER CONTROL:**

Officials from the **Office of Administration - Division of Accounting** assume, although there would be no fiscal impact relating to this authorization increase, there would be a fiscal impact if any of the currently outstanding authorization is actually issued. There would need to be approximately \$700,000 for principal and interest for every \$10 million dollars issued and one time costs of approximately \$192,509 for each issuance.

Officials from the **Department of Natural Resources** assume the proposal would authorize the Board of Fund Commissioners to sell \$40 million in bonds for stormwater control plans, studies and projects under Article III, Sections 37(h), (g), and (e).

ASSUMPTION (continued)

Bonds are sold on as-needed basis.

37(e) money is approved for \$10 million to be spend as follows:  
\$7 Million for the 40% State Construction Grant Programs  
\$3 Million for the Rural Water and Sewer grants

37(g) money is approved for \$10 Million to be spent as follows:  
\$5 Million for Rural Water grants and loans  
\$5 Million for Rural Sewer grants and loans

47(h) money is approved for \$20 Million to be spent as follows:  
\$10 Million for stormwater grants  
\$10 Million for stormwater loans

**Oversight** is unable to determine when bonds would be sold and has ranged the sale from \$0 to \$40 million. Oversight has ranged the annual income and annual repayment of bonds sold from \$0 to \$3,570,033.

**HIGHWAYS IN ST. CHARLES COUNTY:**

Officials of the **Missouri Department of Transportation (MoDOT)** made the following fiscal impact statement:

Restricts truck travel in the far left lane on an interstate highway at a specific location on I-70 within 3 miles of MO 340. MoDOT would have to install 16 total traffic signs to alert drivers of this change. The department would need to install 8 signs in each direction. This would include, in each direction, 1 set of advance notice signs prior to the restricted zone, 2 sets of regulatory signs within the zone & 1 set of signs indicating the end of the zone. The total cost for the 16 signs is approximately \$8,400. This cost reflects the cost of materials needed to fabricate the signs and does not inclue any labor or maintenance cost.

**CONVEYANCE OF PROPERTY IN CITY OF KANSAS CITY :**

House Amendment 8 authorizes the Governor to convey certain state property located in Jackson County to the City of Kansas City.

ASSUMPTION (continued)

**In response to fiscal note 2107-01 SB 469 of this session**, the following fiscal impact statements were made:

Officials from the **Office of Administration - Division of Facilities Management, Design & Construction** assume no fiscal impact to their agency.

Officials from the **Department of Transportation (MoDOT)** assume the conveyance of property in Section 1, consists of property owned or leased by MoDOT. MoDOT estimated a negative fiscal impact up to \$3.5 million to relocate our maintenance facility.

The exact dollar can not be determined at this time. Further, the bill does not specify where any revenue received from the Governor's conveyance of the property will be deposited.

**Oversight** assumes this conveyance would occur in FY08 and has estimated a range of cost for that fiscal year.

Officials from the **City of Kansas City and Jackson County** did not respond to our request for a fiscal impact.

Officials of the **Office of Secretary of State - Rules Division** assume this proposal provides for rulemaking authority in various sections. Officials stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years

ASSUMPTION (continued)

**The following list of respondents stated there would be no fiscal impact to their agencies: Department of Health and Senior Services, Department of Economic Development-Tourism Division, Department of Revenue, Office of the State Auditor, Office of the State Treasurer, Office of State Courts Administrator, Missouri Joint Committee on Public Employee Retirement, Department of Public Safety - Fire Safety Division, Department of Corrections, Little Blue Valley Sewer District, Office of Prosecution Services, Local Government Employees Retirement System, Office of Administration - Admin. Hearing Commission, Office of the Secretary of State- State Librarian, Department of Agriculture, Department of Economic Development - Public Service Commission, State Tax Commission, Police Retirement System of St. Louis, Police Retirement System of Kansas City, Civilian Employees' Retirement System of the Kansas City Police Department,**

**LOCAL GOVERNMENT RESPONSES:**

**Oversight sent response request to many local governments and only a few responded.**

Officials of the **Texas County Clerk's Office** assume no fiscal impact.

Officials of the **Boone County Collector's Office** assume no fiscal impact.

Officials of the **Taney County Ambulance District** assume no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<b><u>Income</u></b> - From 1% collection fee on sales tax (Sections 67.997, 67.2040, and 67.2510, 92.500, 94.950), and (Section 3 HA 36)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<b><u>Cost</u></b> - Department of Social Services Program Costs (DMS) (HA 30)	<u>(\$221,101)</u>	<u>(\$277,260)</u>	<u>(\$289,737)</u>
<b><u>Cost</u></b> to Department of Elementary and Secondary Education - Additional payment to certain districts. (Section 163.011 and 163.038)	<u>(\$152,897)</u>	<u>(\$2,601)</u>	
(Section 163.016 and Section 2)	<u>(\$33,707)</u>	<u>(\$50,657)</u>	<u>(\$50,657)</u>
<b><u>Total Cost</u></b> to DESE	<u>(\$186,604)</u>	<u>(\$53,258)</u>	<u>(\$50,657)</u>
<b><u>Loss</u></b> - General Revenue Fund Sales Tax Exemption (Sections 144.030 and 144.062)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b><u>Loss</u></b> - General Revenue Fund Sales Tax Exemption (Section 144.062 - HA # 18)	<u>(\$17,836,500)</u>	<u>(\$12,870,000)</u>	<u>(\$9,433,500)</u>
<b><u>Transfer of Revenue</u></b> - To State School Monies Fund Offset loss of school fine monies in Jefferson County. (Section 67.320)	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
<b>ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND</b>	<u>(More than \$18,349,205)</u>	<u>(more than \$13,300,518)</u>	<u>(more than \$9,873,894)</u>



<u>FISCAL IMPACT - State Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>HIGHWAY FUND</b>			
<b><u>Cost</u></b> - Department of Transportation posting signs, (Section 304.105)	<u>(\$8,400)</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Loss</u></b> - Department of Transportation Sales Tax Exemption	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO HIGHWAY FUND</b>	<u><u>(\$8,400 to Unknown)</u></u>	<u><u>(Unknown)</u></u>	<u><u>(Unknown)</u></u>
<b>SCHOOL DISTRICT TRUST FUND</b>			
<b><u>Loss</u></b> - School District Trust Fund Sales Tax Exemption (Sections 144.030 & 144.062)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b><u>Loss</u></b> - School District Trust Fund Exemption for MoDOT projects. (Section 144.062)	<u>(\$5,945,500)</u>	<u>(\$4,290,000)</u>	<u>(\$3,144,500)</u>
<b>ESTIMATED NET EFFECT TO SCHOOL DISTRICT TRUST FUND</b>	<u><u>(\$5,945,500 to Unknown)</u></u>	<u><u>(\$4,290,000 to Unknown)</u></u>	<u><u>(\$3,144,500 to Unknown)</u></u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
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**STATE SCHOOL MONIES FUND**

<b><u>Transfer In</u></b> - From General Revenue To pay increase in state aid (Section 163.016)	<u>\$33,707</u>	<u>\$50,657</u>	<u>\$50,657</u>
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<b><u>Transfer In</u></b> - From General Revenue To offset loss in fine revenue in Jefferson County. (Section 67.320)	<b>Less than</b> <b>\$100,000</b>	<b>Less than</b> <b>\$100,000</b>	<b>Less than</b> <b>\$100,000</b>
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<b><u>Transfer Out</u></b> - to Monroe City R-II School District Modifier Change in Formula. (Section 163.016)	<b>(\$33,707)</b>	<b>(\$50,657)</b>	<b>(\$50,657)</b>
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<b><u>Transfer Out</u></b> - Distribution to School Districts in Jefferson County. (Section 67.320)	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>
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<b>ESTIMATED NET EFFECT TO STATE SCHOOL MONIES FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**PARKS AND SOIL FUND**

<b><u>Loss</u></b> -Parks and Soil Fund Sales Tax Exemption (Sections 144.030 & 144.062)	(Unknown)	(Unknown)	(Unknown)
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<u>FISCAL IMPACT - State Government</u> (continued)	<u>FY 2008</u> <u>(10 Mo.)</u>	<u>FY 2009</u>	<u>FY 2010</u>
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**Loss** - Parks and Soil Fund

Sales Tax Exemption (Sections 144.062)

(\$594,550)      (\$429,000)      (\$314,450)

**ESTIMATED NET EFFECT TO  
PARKS AND SOIL FUND**

**(\$594,550 to  
Unknown)**      **(\$429,000 to  
Unknown)**      **(\$314,450 to  
Unknown)**

**CONSERVATION FUND**

**Savings** - Department of Conservation

Reduced Liability (HA 40)

More than      More than      More than  
\$100,000      \$100,000      \$100,000

**Loss** - Conservation Fund

Sales Tax Exemption (Sections 144.030 &  
144.062)

(Unknown)      (Unknown)      (Unknown)

**Loss** - Conservation Fund

Sales Tax Exemption (Section 144.062)

(\$743,188)      (\$536,250)      (\$393,063)

**ESTIMATED NET EFFECT TO  
CONSERVATION FUND**

**(Unknown)**      **(Unknown)**      **(Unknown)**

**BINGO PROCEEDS FOR EDUCATION  
FUND (Section 313.057 and 313.055)**

**Loss - Missouri Gaming Commission**

**Loss of revenue from exemption of not-  
for profit organizations**

(\$1,658,000)      (\$1,990,000)      (\$1,990,000)

**ESTIMATED NET EFFECT ON  
BINGO PROCEEDS FOR  
EDUCATION FUND**

**(\$1,658,000)**      **(\$1,990,000)**      **(\$1,990,000)**

<u>FISCAL IMPACT - State Government</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
(continued)	(10 Mo.)		

**BOARD OF FUND  
 COMMISSIONERS** (Sections 644.597,  
 644.598, and 644.599)

**Income** - Board of Fund Commissioners  
 Sale of Bonds

\$0 to	\$0 to	\$0 to
\$40,000,000	\$40,000,000	\$40,000,000

**Income** - Fees for Storm Water Control

\$0 to	\$0 to	\$0 to
\$3,570,033	\$3,570,033	\$3,570,033

**Cost** - Local Revenue Backed by Storm  
 Water Control Fees

\$0 to	\$0 to	\$0 to
(\$40,000,000)	(\$40,000,000)	(\$40,000,000)

**Cost** - Payment of Bonds

\$0 to	\$0 to	\$0 to
(\$3,570,033)	(\$3,570,033)	(\$3,570,033)

**ESTIMATED NET EFFECT ON  
 BOARD OF FUND  
 COMMISSIONERS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**ROAD FUND**

**Savings** - Road Fund  
 Exemption for MoDOT projects  
 (Section 144.062.6)

\$37,010,738	\$26,705,250	\$19,574,512
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**Cost** - Relocation of Maintenance Facility

<u>Up to</u> (\$3,500,000)	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT TO  
 ROAD FUND**

<u>At Least</u> <u>\$33,610,738</u>	<u>More than</u> <u>\$26,805,250</u>	<u>More than</u> <u>\$19,674,512</u>
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# **BLIND PENSION TRUST FUND**

## **Loss - Blind Pension Trust Fund**

Tax Exemption (Section 137.100)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT TO BLIND PENSION TRUST FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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## **JACKSON COUNTY - TAX MAINTENANCE FUND (Sections 52.290 and 52.312)**

<b><u>Income</u> - Tax Maintenance Fund</b> From one-third of penalty fee of 3%.	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<b><u>Total Effect</u> to Jackson County Tax Maintenance Fund</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
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## **JEFFERSON COUNTY (Section 67.320)**

<b><u>Income</u> - Jefferson County</b> From increase in fines and fees	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
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<b><u>Total Estimated</u> Effect to Jefferson County (Section 67.320)</b>	<b><u>Less than</u></b> <b><u>\$100,000</u></b>	<b><u>Less than</u></b> <b><u>\$100,000</u></b>	<b><u>Less than</u></b> <b><u>\$100,000</u></b>
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**JEFFERSON COUNTY SCHOOL  
 DISTRICTS (Section 67.320)**

<b><u>Transfer In</u></b> - From State School Monies Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
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**Losses** - School Districts in Jefferson County  
 From redistribution of court fines to local government.

<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>
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FISCAL IMPACT - Local Government (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
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<b><u>Total Estimated</u></b> Effect to Jefferson County School Districts (Section 67.320)	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**COUNTY TOURISM FUND  
 (Section 67.1181)**

<b>Cost</b> - From conducting audit of fund.	<b><u>\$0</u></b>	<b><u>(Unknown)</u></b>	<b><u>\$0</u></b>
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<b>Total Cost</b> to County Tourism Fund	<b><u>\$0</u></b>	<b><u>(Unknown)</u></b>	<b><u>\$0</u></b>
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**CERTAIN THIRD CLASS CITIES**

**Loss of Revenue** - Certain Third Class Cities. (Section 88.832)

From exemption provided on certain entities from paying storm water user fees.	<b><u>Minimal</u></b>	<b><u>Minimal</u></b>	<b><u>Minimal</u></b>
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# **ST. CHARLES SCHOOL DISTRICTS**

<b><u>Income</u></b> - St Charles School Districts - Fine loss reimbursement (Section 163.011 & Section 163.038)	<u>\$152,897</u>	<u>\$2,601</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON ST. CHARLES SCHOOL DISTRICTS</b>	<u><b>\$152,897</b></u>	<u><b>\$2,601</b></u>	<u><b>\$0</b></u>
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# **PUBLIC WATER SUPPLY DISTRICTS**

<b><u>Savings</u></b> - Election costs due to changes in director's terms.	<u>Minimal</u>	<u>Minimal</u>	<u>Minimal</u>
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<b><u>Estimated Net Effect</u></b> to Public Water Supply Districts (Section 247.060)	<u><b>Minimal</b></u>	<u><b>Minimal</b></u>	<u><b>Minimal</b></u>
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# **CITIES, COUNTIES, SPECIAL DISTRICTS SALES TAX FUNDS**

<b><u>Income</u></b> - From voter approved sales tax.	Unknown	Unknown	Unknown
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<b><u>Costs</u></b> - From administering defined purpose of sales tax.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b><u>Estimated Net Effect</u></b> to Cities, Counties, Special Districts (Sections 67.997, 67.2040, 67.2510, 92.500, 94.950, and (Section 3 HA 36) *	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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**CITIES OF SULLIVAN,  
 HOLLISTER, AND GLADSTONE,  
 CITIES OF PEMISCOT COUNTY,  
 and COUNTIES OF 2, 3, and 4  
 Classification, TOURISM FUND**

<b><u>Income</u></b> - From voter approved transient guest tax.	Unknown	Unknown	Unknown
<b><u>Cost</u></b> - From promotion of tourism.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b><u>Estimated Net Effect</u></b> to Counties and Cities of Sullivan, Hollister and Gladstone Tourism Fund. (Sections 67.1003, 67.1016, 94.870, and 67.1360) *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Transfer In</u></b> - Monroe County R-II School District Modifier Change increase in state (Section 163.016)	<u>\$33,707</u>	<u>\$50,657</u>	<u>\$50,657</u>

**CITIES AND COUNTIES**

<b><u>Loss</u></b> - Cities and Counties Sales Tax Exemption on MoDOT projects, (Section 144.062 - HA 18)	<u>(\$11,891,000)</u>	<u>(\$8,580,000)</u>	<u>(\$6,289,000)</u>
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**LOCAL GOVERNMENTS**

<b><u>Loss</u></b> - Local Sales Taxing Districts Sales Tax Exemption - Textbooks for Schools (Section 144.030 HA 20)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**Loss** - Cities and other taxing districts



Exemption of taxes (Section 137.100 HA # 43)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT TO LOCAL GOVERNMENT</b>	<u><b>(\$11,604,396 to Unknown)</b></u>	<u><b>(\$8,426,742to Unknown)</b></u>	<u><b>(\$6,138,343 to Unknown)</b></u>
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FISCAL IMPACT - Local Government (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
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**\* Oversight assume costs of providing defined services would not exceed income, resulting in either a \$0 or positive annual fund balance. Oversight assumes for purposes of this fiscal note a \$0 annual fund balance.**

#### FISCAL IMPACT - Small Business

Small business located within districts that impose voter approved sales taxes or certain businesses that would be required to collect a transient guest tax would have to collect and administer the tax.

#### DESCRIPTION

This proposal modifies the laws regarding political subdivisions.

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 - Rules and State Librarian  
 Office of the State Auditor  
 Office of the State Treasurer  
 Office of State Courts Administrator  
 Missouri Department of Transportation  
 Missouri Department of Corrections  
 Department of Natural Resources  
 Department of Elementary and Secondary Education  
 Office of Administration - Commissioner  
 Office of Administration - Information Technology

RWB:LR:OD (12/02)

Office of Administration - Budget and Planning  
Department of Public Safety - Fire Safety Division  
Department of Agriculture  
State Tax Commission  
Department of Social Services  
Department of Health and Senior Services  
Department of Revenue  
Department of Economic Development - All Divisions  
Joint Committee on Public Employee Retirement  
Office of Prosecution Services  
Local Government Employees Retirement System  
St. Louis County Director of Administration  
Kansas City - Office of the City Attorney  
Boone County Collector  
Jefferson County Counselor  
Texas County Clerk  
Police Retirement System of St. Louis  
DeSoto Fire Protection District  
St. Charles County  
Pulaski County  
City of West Plains  
City of Poplar Bluff  
City of Centralia  
City of Raytown  
Missouri County Employees' Retirement Fund  
Police Retirement System of Kansas City  
Civilian Employees' Retirement System of the Police Department of Kansas City  
Taney County Ambulance District

NOT RESPONDING

The County Commissions of:  
Clay County  
Johnson County  
Jackson County Executive  
Franklin County

City Clerk/Administrators of:  
Knob Knoster  
Warrensburg

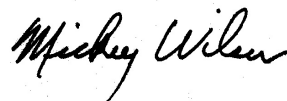
RWB:LR:OD (12/02)

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Bill No. SS for SCS for HB 69 w/ SA 1  
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Gladstone  
Joplin  
St. Louis City  
Boone County Fire Protection District

NOT RESPONDING (continued)

Central Co. Fire Protection District  
Creve Coeur Fire Protection District  
Hawk Point Fire Protection District  
Hillsboro Fire Protection District  
Lake St. Louis Fire Protection District  
St. Charles County Ambulance District  
Valle Ambulance District

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
May 17, 2007