

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1285-09
Bill No.: HCS No. 2 for HB 889
Subject: Cities, Towns, and Villages; Taxation and Revenue - Sales and Use; Property, Real and Personal; Utilities
Type: Original
Date: May 2, 2011

Bill Summary: This proposal modifies provisions relating to political subdivisions, with a penalty provision.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|--|--|--|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| General Revenue | Unknown to (Unknown greater than \$395,767) | Unknown to (Unknown greater than \$599,616) | Unknown to (Unknown greater than \$605,272) |
| Total Estimated Net Effect on General Revenue Fund | Unknown to (Unknown greater than \$395,767) | Unknown to (Unknown greater than \$599,616) | Unknown to (Unknown greater than \$605,272) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------|------------------|------------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| Blind Pension Fund | (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 21 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2012 | FY 2013 | FY 2014 |
| General Revenue | 9 | 9 | 9 |
| | | | |
| Total Estimated Net Effect on FTE | 9 | 9 | 9 |

☐ 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 2012 | FY 2013 | FY 2014 |
| Local Government | Unknown greater than \$15,000 to (Unknown) | Unknown greater than \$18,000 to (Unknown) | Unknown greater than \$18,000 to (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety, Missouri Highway Patrol, Division of Alcohol and Tobacco Control, Department of Health and Senior Services, Department of Natural Resources, Missouri Veterans Commission, Department of Corrections, Department of Insurance, Financial Institutions and Professional Registration, Department of Transportation, Missouri State University, Office of Public Counsel, Public Service Commission, Missouri Housing Development Commission** and the **Division of Tourism** assume that there is no fiscal impact from this proposal.

In response to a prior version of the bill (1285-07), officials from the **Office of State Treasurer, Department of Conservation** and **Office of Prosecution Services** assumed that there is no fiscal impact from this proposal.

In response to a prior version of the bill (1285-07), officials from the **Missouri Senate** stated this proposal will have no fiscal impact or minimal costs which can be absorbed by present appropriations.

Officials from the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

In response to a prior version of this bill (1285-07), officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

ASSUMPTION (continued)

Section 55.030

In response to an identical proposal from this session (HB 142, 720-01), officials from the **County of St. Charles** estimated a savings of \$18,000 annually by eliminating fixed asset tracking of small dollar items.

Sections 56.807 & 488.026

Officials from the **Joint Committee on Public Employee Retirement** (JCPER) has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (10).

Officials from the **Office of State Courts Administrator** (CTS) assume this proposal would allow a \$4 surcharge for the Missouri Prosecuting Attorneys and Circuit Attorneys' Retirement System Fund to be assessed and against persons who pled and paid a fine through a fine collection center.

Based on data for FY 10, CTS assumes there are approximately 144,138 fine collection center cases on which this \$4.00 surcharge could be applied. CTS anticipates the revenue from a \$4.00 surcharge would be approximately \$576,552 in any given year.

In response to a prior version of the bill (HB 889, 1285-07), officials from the **Prosecuting Attorneys and Circuit Attorneys Retirement System** (PACARS) assumed the proposed bill would amend a portion of the statute by adding language placing a sur-charge on matters processed through the Fine Collection Center (FCC). This would appear to marginally increase the funding stream of the system, but, in reality, much of the "increase" would actually be replacing part of the revenue stream previously in place to fund PACARS. As more counties have shifted to participate in the FCC, a stream of income from the surcharge imposed on cases handled by Prosecuting Attorneys has withered away. Therefore, it is difficult to quantify the amount of the net increase in the funding stream. Based on figures from the 2009 year, there were approximately 200,000 matters handled through the FCC.

Section 58.095

Oversight assumes that the counties could incur additional costs if coroners, deputy coroners, and assistants be required to complete the annual training; therefore, Oversight will reflect a \$0 to unknown cost to local governments.

ASSUMPTION (continued)

Section 67.451

Officials from the **City of Kansas City** state this proposal may have a positive fiscal impact on Kansas City in an indeterminate amount.

Oversight assumes this proposal is permissive in nature. Therefore, Oversight will not reflect a direct fiscal impact as a result of this proposal.

Section 67.2012

In response to a prior version of the bill (1285-07), officials from **Department of Elementary and Secondary Education** stated the municipal court structure may reduce the amount of fine revenue which districts in Cass County have been accustomed to receiving. A reduction in fine revenue will be lost revenue for the districts.

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

Sections 137.010, 137.080 & 137.115

In response to similar legislation filed this session (HB 737, 1797-02), officials from the **Office of Administration, Division of Budget and Planning** (BAP) assumed this proposal would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would classify certain turbines as tangible personal property, and lower the assessed valuation on such properties to 1% of their true value. If municipal governments are unable to adjust their levies, this may lower property tax receipts, including for schools. This proposal would also reduce Blind Pension Fund receipts. BAP officials also stated that they do not have data to estimate any losses.

In response to a prior version of the bill (1285-07), officials from the **Department of Elementary and Secondary Education** (DESE) assumed the equipment is currently assessed as industrial and commercial. This being the case, there would be a reduction from 33.3% to 1% in the amount of property taxes paid. This will result in a significant loss of revenue for certain schools and local taxing authorities. For many districts that contain these types of power plants, the company that owns the plant is one of the largest taxpayers in the district. The proposal would have no impact on the state, unless the reduction in assessed valuation falls below the 2004-05 amount. In which case, additional state aid would be required to make up for the reduction in local effort.

ASSUMPTION (continued)

In response to similar legislation filed this session (HB 737, 1797-02), officials from the **City of Kansas City** assumed this proposal would have a negative impact on their organization but that impact is impossible to quantify.

Oversight was not able to determine if any turbine generators are currently installed which would qualify for the proposed classification and valuation process. To the extent that such equipment is currently installed or would be installed in the future, this proposal would reduce the assessed valuation of such property from the percentage specified in current provisions to one percent of value. That reduction in assessed valuation would in turn reduce the property tax that would otherwise be due on such property.

Oversight assumes that this property would be owned by electric companies and would be assessed by the State Tax Commission as distributable property; accordingly the tax reduction would impact local governments and the state Blind Pension Fund. For fiscal note purposes, Oversight will indicate an unknown amount of revenue reduction for local governments and for the state Blind Pension Fund.

Section 137.082

In response to similar legislation filed this session (HB 222, 0936-01), officials from the **Office of Administration, Division of Budget and Planning** (BAP) assumed this proposal would not result in additional costs or savings to their organization.

BAP officials assumed this proposal would change the year of assessment for a newly constructed but never occupied property from the second year after completion to the fourth year after completion. The proposal, if enacted, could slow the growth in assessed valuations of improved properties but BAP does not have the data to estimate these impacts. The proposal would not impact general revenues but could reduce funding for schools and could slow growth in state Blind Pension Fund receipts.

In response to a prior version of the bill (1285-07), officials from the **Department of Elementary and Secondary Education** (DESE) assumed this proposal would not impact state revenues but would have a negative impact on the revenue stream of local governments. DESE has no means to calculate such impact, however.

In response to a similar proposal from this session (HB 222, 0936-01), officials from the **State Tax Commission** (TAX) assumed this proposal would not have a fiscal impact on their organization. The proposal would extend the time period for newly constructed property to be assessed regardless of whether the property is located in a county that has enacted an occupancy

ASSUMPTION (continued)

provision. TAX officials stated that implementation of the proposal would result in a loss of revenue to local governments, but they did not have the information that would allow them to calculate the potential revenue loss.

In response to similar legislation filed this session (HB 222, 0936-01), officials from the **City of Kansas City** assumed this proposal would extend the time when newly constructed but unoccupied improvements can be assessed and placed on the property tax roll for taxation purposes. The proposed legislation would require taxing jurisdictions to wait until the fourth year following construction to add the taxable assessed valuation for the improvements. The impact of extending the requirement to assess and levy taxes for improvements from two years to four years would in effect eliminate two years of tax revenue which jurisdictions currently receive for newly constructed residential property. This would have a negative impact on taxing jurisdictions.

In response to similar legislation filed this session (HB 222, 0936-01), officials from **Boone County** assumed this proposal would increase the cost to taxing entities in Boone County by \$142,000 per year. Boone County officials also assume this proposal would require their county to adopt assessment on occupancy, and that change would increase assessment fund withholding from property taxes collected from 0.5% of collections to 0.6% of collections. That 20% increase in withholdings would result in a revenue increase from \$710,000 to \$852,000 per year to the assessment fund.

In response to similar legislation filed this session (HB 222, 0936-01), officials from the **City of St. Louis** assumed this proposal would apply to unsold homes in a builder's inventory. City officials stated that the cost would vary from year to year, but the current cost would be about \$36,000 per year for all taxing entities in the City, and about 21% or \$7,665 would be the cost to their organization.

In response to similar legislation filed this session (HB 222, 0936-01), officials from the **City of Richmond** provided a response to this proposal but not an estimate of the potential fiscal impact to their organization.

Oversight notes that current provisions for newly constructed residential real estate allow counties and the City of St. Louis to assess that property when it is occupied or on the second January 1 following the year in which construction was completed. Oversight does not have information as to how many jurisdictions assess properties on occupancy, and how many assess properties on the second January 1 following completion.

ASSUMPTION (continued)

Oversight also notes that properties are assessed as of January 1; therefore, a property which was completed and occupied in the same year would be assessed on the following January 1.

Property taxes would first be due on December 31 following the January 1 on which the property was first assessed. A property which was completed but not occupied would be assessed on the second following January 1; a delay of an additional year.

A property completed in 2009 but not occupied would currently be assessed for the first time on January 1, 2011 and taxes would be due December 31, 2011 (FY 2012.). Taxes would also be collected on that property in FY 2013 and FY 2014.

Oversight notes that this proposal would only have an impact for jurisdictions which assess on the second following January 1; the proposal would delay the initial assessment of the completed but not occupied property until the fourth following January 1. The proposal would result in two additional years in which the improved property would be taxed at the value of the unimproved lot. The proposal would be effective in August of 2011; a property completed in 2009 but not occupied would have been assessed for the first time on January 1, 2011. Taxes on the property would be due on December 31, 2011 (FY 2012). Therefore, Oversight will indicate no fiscal impact for this proposal for FY 2012.

A property completed in 2010 but not occupied would be assessed for the first time January 1, 2012 under current provisions, and taxes would be due on that property December 31, 2012 (FY 2013). This proposal would delay that initial assessment until January 1, 2014, and taxes would first be due on that property December 31, 2014 (FY 2015).

Local governments and the state Blind Pension Fund would have revenue losses beginning in FY 2013 for property taxes on completed but unoccupied residential property. Oversight does not have information on the number, value, or location of completed but unoccupied residential properties. Accordingly, Oversight will indicate unknown losses for those years.

Sections 143.789 & 143.790

Officials from the **Department of Revenue** (DOR) assume this proposal would grant DOR the authority to offset an income tax refund in specific situations and would provide the order of priority in which the offsets would be paid. The proposal also provides specific notification and appeals processes.

ASSUMPTION (continued)

Administrative impact

DOR officials assume that Personal Tax would require two FTE additional Revenue Processing Technician I (Range 10, Step L) to process correspondence and do appointments.

DOR officials also assume that Collections and Tax Assistance would require one additional FTE Tax Collection Technician I (Range 10, Step L) per 15,000 additional contacts annually on the delinquent tax line, one additional FTE Tax Collection Technician I (Range 10, Step L) per 24,000 additional contacts annually on the non-delinquent tax line, and one additional FTE Revenue Processing Technician I (Range 10, Step L) per 4,800 additional contacts annually in the Tax Assistance Offices.

The DOR estimate of cost to implement this proposal including five additional FTE and the related fringe benefits, equipment, and expense totaled \$200,337 for FY 2012, \$201,448 for FY 2013, and \$203,555 for FY 2014.

Oversight has, for fiscal note purposes only, changed the starting salary for the additional positions to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research. Oversight has also adjusted the DOR estimate of expense and equipment cost in accordance with OA budget guidelines. Finally, Oversight assumes that a limited number of additional employees could be accommodated in existing office space. If unanticipated costs are incurred as a result the implementation of this proposal or if multiple proposals are implemented which increase DOR costs or workload, resources could be requested through the budget process.

Oversight also assumes the DOR estimate of expense and equipment cost for additional FTE could be overstated. If DOR is able to use existing equipment such as desks, file cabinets, chairs, etc., the estimate for equipment for fiscal year 2012 could be reduced by roughly \$5,000 per employee.

IT impact

DOR's response to proposals similar to, or identical to, this one in previous session indicated DOR planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff, and the limitations within the DOR tax systems, changes cannot be made without significant impact to DOR resources and budget.

ASSUMPTION (continued)

Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$26,712. The value of the level of effort is calculated on 1,008 FTE hours.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Oversight assumes that the proposed DOR collection assistance fee would generate additional revenue but cannot determine whether the revenue generated would offset the expected DOR costs to operate the notification, appeal, hearing, and transaction costs which implementing this proposal would involve. Oversight will use the DOR estimate of cost to their organization and will indicate an unknown amount for collection assistance fee revenue.

Officials from the **Department of Social Services - Family Support Division (FSD)** state this proposal lowers child support debts in the priority for state income tax refund offset, child support collections owed to the State and to persons receiving support enforcement services may decrease. A decrease in the amount of child support collections assigned to the State could negatively impact CSEC funds. A decrease in the amount of child support collections owed to families could negatively impact federal child support enforcement performance incentive payments to the state. FSD is unable to estimate the potential decrease in support collections or federal incentive payments. Therefore, FSD is providing a fiscal impact of unknown due to a decrease in available funding from federal and CSEC funds.

Oversight assumes, a decrease in child support collections is speculative, that the FSD will not incur significant costs related to this proposal. If a fiscal impact were to result, the FSD may request additional funding through the appropriations process.

Officials from the **City of Kansas City** state this proposal may have a positive fiscal impact on the City of Kansas City in an indeterminate amount.

Although **Oversight** is not able to estimate the number or amount of unpaid ambulance service accounts which might be collected, Oversight assumes that the numbers and amount of uncollected accounts would be significant. Oversight also notes that a significant number of ambulance service providers are local government agencies. For fiscal note purposes, Oversight will indicate unknown additional revenue to local governments for this proposal.

ASSUMPTION (continued)

Officials from the **Missouri Lottery (Lottery)** assume that this proposal could negatively impact player behavior by allowing offset of lottery prize payouts for public and private ambulance services. Lottery officials stated that staff resources would be necessary to process the offsets, and the proposal would also require IT programming costs and ongoing accounting resources.

Lottery officials provided an estimate of \$100,000 for IT programming to the Lottery check writing system to accommodate for the new offset category, and an unknown cost for administering the offset process.

Oversight assumes that any impact to the Missouri Lottery from this proposal will be minimal; therefore, Oversight will not reflect a direct fiscal impact as a result of this proposal.

Section 226.720

In response to a prior version of the bill (1285-07), officials from the **State Public Defender's Office (SPD)** stated the SPD cannot assume that existing staff will provide competent, effective representation for any indigent clients faced with the enhanced penalties for operating a junk yard outside of the provision of the law. The Missouri State Public Defender System is currently operating in a crisis mode with caseloads far in excess of any recognized standard.

Oversight assumes the SPD could absorb any costs within existing resources. If the SPD experiences an increase that would require additional funding, the SPD could request the funding through the appropriations process.

Section 262.675

Officials from the **Department of Agriculture** assume an unknown fiscal impact to the Department. The amount of support staff time required by the council cannot be determined.

Oversight assumes the Department of Agriculture will be able to absorb the cost associated with this proposal.

Sections 304.120 & 537.293

In response to similar legislation filed this session (HB 735, 1559-01), officials from the **City of Kansas City** stated this proposal may have a negative fiscal impact on the City of Kansas City, Missouri. This bill would require the City to provide commercial vehicles at least one, two-way street, that they can use to access any road in the state highway system. If the City lacks such access, then this proposal could have costs.

ASSUMPTION (continued)

Oversight is unable to determine how many municipalities this proposal would effect; therefore, Oversight will show a \$0 to Unknown cost.

Section 447.708

Officials from the **Department of Economic Development - Division of Business and Community Services** assume an unknown negative impact in excess of \$100,000 as a result of the proposed legislation. This proposal revises the Brownfield Remediation Tax Credit program by expanding the items considered to be eligible costs for the tax credit to include “environmental insurance premiums” and “backfill of areas where contaminated soil excavation occurs.” This expansion will increase the amount of tax credits issued under the program.

In response to a prior version of the bill (1285-07), officials from **Department of Elementary and Secondary Education** stated tax subsidies reduce the state’s tax revenues and decrease the amount of money available for public school students.

Oversight assumes this proposal is an expansion of what qualifies for the tax credit and has the potential to increase the number of taxpayers eligible for the tax credit. Oversight is showing the impact to the General Revenue Fund as \$0 to (Unknown).

Sections 478.170, 478.187, 478.575, 478.577

Officials from the **Department of Social Services - Children’s Division (CD)** state this bill splits the 38th circuit. Beginning January 1, 2011, circuit number thirty-eight would consist of Christian County and the 46th Circuit would be created, consisting of Taney County. The Creation of the 46th Circuit would require one FTE to fill the position of Circuit Manager.

Oversight assumes currently one Circuit Manager is overseeing the caseload for the 38th Circuit which consists of Christian and Taney Counties. **Oversight** assumes the CD can absorb the additional caseload that may result from this proposal. If the CD experiences an increase that would require additional funding, the CD could request the funding through the appropriations process.

In response to a prior version of the bill (1285-07), officials from the **State Public Defender’s Office (SPD)** stated breaking the 38th circuit into two separate circuits could cause the SPD to have additional courts to appear in front of. The SPD is currently operating in a crisis mode with caseloads far in excess of any recognized standard.

ASSUMPTION (continued)

Oversight assumes the SPD could absorb any costs within existing resources. If the SPD experiences an increase that would require additional funding, the SPD could request the funding through the appropriations process.

Officials from the **Office of State Courts Administrator (CTS)** state beginning January 1, 2012, the proposed legislation would split the 38th judicial circuit consisting of Christian and Taney counties into two judicial circuits. Christian County would remain in the 38th judicial circuit and Taney County would be in a new 46th judicial circuit. The legislation would add one circuit judge to the 46th judicial circuit.

For a presiding circuit judge, the cost is as follows:

| | |
|----------------------|----------------------------------|
| Circuit Court Judge: | \$120,484 per year, plus fringes |
| Court Reporter: | \$55,012 per year, plus fringes |
| Secretary: | \$38,700 per year, plus fringes |

In addition, the legislation would create a new single county circuit which would require a state paid juvenile officer. It is assumed juvenile staff will be divided between Christian and Taney counties.

| | |
|-------------------|---------------------------------|
| Juvenile Officer: | \$46,204 per year, plus fringes |
|-------------------|---------------------------------|

The total annual cost for this legislation would be \$260,400 plus fringes, and 4 FTE.

Oversight assumes the new employees would start January 1, 2012; therefore, Oversight will show six months of FTE expenses in FY 12.

Section 488.426

Officials from the **Office of State Courts Administrator (CTS)** state this proposal would allow the circuit court in Greene County to increase the law library fee charged on civil cases to an amount not to exceed \$20.00 (the limit is now \$15.00).

There were 19,860 civil cases filed in Greene County in FY 10. If an additional \$5 was assessed on every case, and collections were 100%, the income would be approximately \$99,300 in a given year.

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

ASSUMPTION (continued)

Section 2

Officials from the **City of Kansas City** assume the proposal will have a positive fiscal impact on Kansas City in an indeterminate amount.

Oversight assumes this proposal is permissive in nature. Therefore, Oversight will not reflect a direct fiscal impact as a result of this proposal.

FISCAL IMPACT - State Government

FY 2012
(10 Mo.)

FY 2013

FY 2014

GENERAL REVENUE FUND

Revenue - Department of Revenue

Collection assistance fees
 (\$143.789, 143.790)

Unknown

Unknown

Unknown

Cost - Department of Revenue
 (\$143.789, 143.790)

Salaries (5 FTE)

(\$94,500)

(\$114,534)

(\$115,679)

Benefits

(\$49,461)

(\$59,947)

(\$60,547)

Expense and equipment

(\$36,662)

(\$3,617)

(\$3,708)

Total Costs - DOR

(\$180,623)

(\$178,098)

(\$179,934)

Cost - Office of State Courts

Administrator (\$478.170, 478.187,
 478.575, 478.577)

Salaries (4 FTE - 6 months for FY 12)

(\$130,200)

(\$263,004)

(\$265,634)

Benefits

(\$78,670)

(\$158,514)

(\$159,704)

Expense and equipment

(\$6,274)

\$0

\$0

Total Costs - CTS

(\$215,144)

(\$421,518)

(\$425,338)

Loss - Department of Economic
 Development (\$447.708)

Tax credit expansion - environmental
 insurance premiums, backfill of areas
 where contaminated soil excavation
 occurs

\$0 to
(Unknown)

\$0 to
(Unknown)

\$0 to
(Unknown)

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

Unknown to
(Unknown
greater than
\$395,767)

Unknown to
(Unknown
greater than
\$599,616)

Unknown to
(Unknown
greater than
\$605,272)

| | | | |
|--|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> (continued) | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
|--|---------------------|---------|---------|

BLIND PENSION FUND

| | | | |
|--|-----------|-----------|-----------|
| <u>Revenue reduction</u> - valuation reduction for turbine generators (§137.010, 137.080, 137.115) | (Unknown) | (Unknown) | (Unknown) |
|--|-----------|-----------|-----------|

| | | | |
|--|-----|-----------|-----------|
| <u>Revenue reduction</u> -delayed assessment of new unoccupied residential property (§137.082) | \$0 | (Unknown) | (Unknown) |
|--|-----|-----------|-----------|

| | | | |
|---|-------------------------|-------------------------|-------------------------|
| ESTIMATED NET EFFECT ON BLIND PENSION FUND | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|---|-------------------------|-------------------------|-------------------------|

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2012 (10 Mo.) | FY 2013 | FY 2014 |
|---|---------------------|---------|---------|

LOCAL POLITICAL SUBDIVISIONS

| | | | |
|--|----------|----------|----------|
| <u>Savings</u> - St. Charles County Eliminate fixed asset tracking of small dollar items (§55.030) | \$15,000 | \$18,000 | \$18,000 |
|--|----------|----------|----------|

| | | | |
|--|-----------|-----------|-----------|
| <u>Revenue</u> - Increase in surcharge contribution to Prosecution Attorneys and Circuit Attorneys Retirement System (§56.807, 488.026) | \$480,460 | \$576,552 | \$576,552 |
|--|-----------|-----------|-----------|

| | | | |
|---|---------|---------|---------|
| <u>Revenue</u> - collection of unpaid ambulance service bills (§143.789, 143.790) | Unknown | Unknown | Unknown |
|---|---------|---------|---------|

Expense - Surcharge contribution to
 Prosecution Attorneys and Circuit
 Attorneys Retirement System
 (\$56.807 & 488.026)

(\$480,460) (\$576,552) (\$576,552)

FISCAL IMPACT - Local Government
continued

Cost - County Government

Annual training expense for coroners,
 deputy coroners and assistants
 (\$58.095)

\$0 to \$0 to \$0 to
 (Unknown) (Unknown) (Unknown)

Cost - municipalities to provide
 commercial vehicles access to any roads
 in the state highway system (\$304.120,
 537.293)

\$0 to \$0 to \$0 to
 (Unknown) (Unknown) (Unknown)

Revenue reduction - Local Governments

Valuation reduction for turbine
 generators (\$137.010, 137.080,
 137.115)

(Unknown) (Unknown) (Unknown)

Revenue reduction - delayed assessment
 of new unoccupied residential property
 (\$137.082)

\$0 (Unknown) (Unknown)

**ESTIMATED NET EFFECT ON
 LOCAL POLITICAL SUBDIVISIONS**

Unknown Unknown Unknown
greater than greater than greater than
\$15,000 to \$18,000 to \$18,000 to
(Unknown) (Unknown) (Unknown)

FISCAL IMPACT - Small Business

Sections 137.010, 137.080 & 137.115

This proposal would have a direct fiscal impact to any small business which owned or operated

qualifying turbine generator equipment.

Section 137.082

This proposal would have a direct fiscal impact on small businesses which own new residential properties.

FISCAL IMPACT - Small Business (continued)

Sections 143.789 & 143.790

This proposal would have a direct fiscal impact to small businesses which provide ambulance services.

FISCAL DESCRIPTION

Section 55.030

This bill increases from \$250 to \$1,000 the minimum original value of county property that must be inventoried annually by the auditor in a charter county.

Sections 56.807 & 488.026

The proposed legislation allows a \$4 surcharge for the Missouri Prosecuting Attorneys and Circuit Attorneys Retirement System Fund to be assessed and collected against persons who pled and paid a fine through a fine collection center.

Section 58.095

This bill requires every elected or appointed county coroner, deputy coroner, and assistant to the coroner to complete the annual required educational training within six months of his or her election or appointment. Currently, only certain county coroners and deputy coroners are required to complete the training on an annual basis.

Section 137.010, 137.080 & 137.115

This bill classifies certain hydroelectric power generating equipment as tangible personal property and requires that it be assessed at 1% of its true value in money.

Section 137.082

This bill increases the number of years before a newly constructed residential property which has never been occupied is assessed for property taxation from the second year following the year the construction on the home was completed to the fourth year regardless of whether the county where the property is located implements the provisions of Section 137.082, RSMo.

FISCAL DESCRIPTION (continued)

Sections 143.789 & 143.790

Currently, the Department of Health and Senior Services processes claims submitted by hospitals and health care providers requesting an offset of income tax refunds to satisfy an outstanding debt owed by a taxpayer. This bill repeals the provisions regarding the process by which the department requests offsets and authorizes an entity designated as a claim clearinghouse to process and verify requests for an offset for ambulance service providers of taxpayer income tax refunds and lottery winnings to satisfy outstanding debts for ambulance services received. Prior to utilizing the clearinghouse, an ambulance service provider must give certain notices to patients and allow for various levels of review and appeals of their claims. A collection assistance fee allocated between the clearinghouse and the Department of Revenue is assessed to each offset for the costs of collecting the debt. Claims for debts owed to ambulance service providers requesting an offset will receive the least priority as specified in Section 143.789, RSMo.

Sections 304.120 & 537.293

This bill restricts municipalities from prohibiting commercial traffic on all streets and provides that it is not a nuisance to legally use a motor vehicle on a public street.

Section 447.708

This bill adds the costs of environmental insurance premiums and the backfill of areas where contaminated soil excavation occurs to the list of expenses that qualify for a remediation tax credit.

Sections 478.170, 478.187, 178.575, 478.577

Beginning January 1, 2012, this bill transfers Taney County from the 38th Judicial Circuit to the newly established 46th Judicial Circuit with one circuit judge to be elected in 2011 to serve the new circuit. The 38th Judicial Circuit will consist only of Christian County.

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
State Tax Commission
State Treasurer's Office

SOURCES OF INFORMATION (continued)

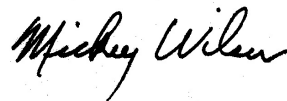
State Public Defender's Office
Department of Corrections
Department of Transportation
Missouri Senate
Office of Secretary of State
Office of Prosecution Services
Office of State Courts Administrator
Department of Conservation
Department of Revenue
 -Missouri Lottery
Office of Administration
 -Division of Budget and Planning
Department of Public Safety
 - Missouri Veterans Commission
 -Missouri Highway Patrol
 -Division of Alcohol and Tobacco Control
Department of Economic Development
 -Division of Business and Community Services
 -Division of Tourism
 -Office of Public Counsel
 -Public Service Commission
 -Missouri Housing Development Commission
Joint Committee on Public Employee Retirement
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Prosecuting Attorneys and Circuit Attorneys Retirement System
Department of Agriculture
Department of Natural Resources
Department of Social Services
 -Family Support Division, Income Maintenance Unit

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-Child Support Enforcement
Missouri State University
City of Kansas City
County of St. Charles
County of Boone
City of St. Louis
City of Richmond

NOT RESPONDING

Department of Labor
Missouri House of Representatives

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

Mickey Wilson, CPA
Director
May 2, 2011