

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6365-03
Bill No.: HCS for HB 2112
Subject: Political Subdivisions; Cities, Towns, and Villages
Type: Original
Date: March 28, 2014

Bill Summary: This proposal changes the laws regarding political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 13 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ 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 2015	FY 2016	FY 2017
Local Government	Unknown greater than \$297,610 to (Unknown)	Unknown greater than \$297,610 to (Unknown)	Unknown greater than \$297,610 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§8.681, 34.040 and 88.005 - Changes to competitive bidding

Officials at the **University of Missouri System** assumes this legislation has no cost impact over \$100,000 on the University of Missouri. However, there is no definition of "local". If there is a cost advantage to "local" that would be revealed in the cost part of the proposal.

Officials at the **Department of Natural Resources** and the **Joint Committee on Administrative Rules** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **University of Central Missouri** assume no fiscal impact from this proposal.

In response to similar legislation (HB 1354), officials at the **City of Columbia**, the **City of Jefferson City**, the **City of Kansas City**, the **City of O'Fallon**, the **Department of Conservation**, the **Francis Howell School District**, the **Fulton School District**, the **Lincoln University**, the **Linn State Technical College**, the **Missouri Western State University**, the **Office of Administration's Division of Purchasing**, the **Office of Administration's Division of Facilities Management, Design and Construction**, the **Special School District** and **St. Louis County** assumed there is no fiscal impact from this proposal.

In response to similar legislation (HB 1354), officials at the **Missouri Department of Transportation (MoDOT)** assumed this proposal only affects MoDOT to the extent of those purchases that are governed by the OA statute, namely IT and printing. To that extent, it is hard to determine the fiscal impact as such determination would turn on an analysis of any competing vendors gaining advantage for locality element that would result in award of the contract when the price alone would not. Therefore, it could result in higher pricing/cost to MoDOT for those commodities that MoDOT has to procure through OA.

In response to similar legislation (HB 1354), officials at the **Missouri Southern State University** assumed the impact is unknown.

ASSUMPTION (continued)

In response to similar legislation (HB 1354), officials at the **Missouri State University** assumed this may increase costs for construction if a local contractor was required to be the construction manager. By selecting a local contractor, it would prohibit this contractor from bidding on any of the work to be done which effectively reduces the potential bidders by one. In smaller markets, this would have an impact on competitive bids received and the costs associated with the project.

In response to similar legislation (HB 1354), officials at the **Northwest Missouri State University** assumed an unknown impact, as they don't use construction managers much. However, the impact could not be estimated.

This section of the proposal is permissive in that it allows consideration based on location but does not require it. In response to similar legislation (HB 1354), **Oversight** assumed this proposal would not have a fiscal impact.

§§43.535 and 43.543 - Criminal Record Reviews on Open Records

Officials at the **Department of Public Safety's Missouri Highway Patrol** assume no fiscal impact from this proposal.

In response to a previous version, officials at the **Springfield Police Department** assumed no fiscal impact from this proposal.

In response to similar legislation (HB 1339), officials at the **Columbia Police Department** and the **City of Columbia** each assumed an unknown fiscal impact from this proposal. There could be increased staff time to manage possible increased requests relating to this proposal.

In response to similar legislation (HB 1339), officials at the **Office of Sheriff of Jackson County** assumed a minimal fiscal impact from this proposal. This proposal would only apply to a limited number of cases within their county.

In response to similar legislation (HB 1339), officials at the **City of Kansas City**, the **Cole County**, the **St. Louis County** and the **City of Jefferson** each assumed no fiscal impact to their respective organizations from this proposal.

In response to similar legislation (HB 1339), **Oversight** assumed that if a local political subdivision is going to require the background check it will collect a fee, to cover the cost of the background check.

ASSUMPTION (continued)

§49.272 - Buchanan County can impose fines on certain violations

In response to similar legislation (HB 1348), §49.272 allows the County Commission in Buchanan County to impose by rules, regulations or ordinance a civil fine of up to \$1,000 for each violation of any county rule, regulation or ordinance. Oversight assumes the County Commission, if they adopted the provisions of this section, would realize income from the civil fines and would have cost from enforcement of the rules, regulation, or ordinances. For purposes of this fiscal note, **Oversight** assumes fiscal impact would be \$0. **Oversight** assumes income would cover the cost of enforcement and administration.

§64.170 - Adoption of building codes in third and fourth class counties

Officials at the **St. Louis County Board of Election Commission** assume no fiscal impact from this proposal.

In response to similar legislation (HB 1660), officials at the **Department of Public Safety - Division of Fire Safety** and the **Department of Agriculture** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (HB 1660), officials at the **Kansas City Board of Election Commission**, the **Platte County Board of Election Commission** and the **Jackson County Board of Election Commission** each assumed no fiscal impact to their respective organizations from this proposal.

§67.1367 - Funding the promotion of tourism in Perry County

In response to similar legislation (HB 1909), officials at the **Department of Economic Development's Division of Tourism**, the **Office of the Secretary of State**, the **Department of Revenue** and the **State Tax Commission** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (HB 1909), officials at the **City of Perryville** assumed no fiscal impact from this proposal.

In response to similar legislation (HB 1909), **Oversight** assumed this proposal is permissive in nature and would have no local fiscal impact without action by the governing body of Perry County and approved by the majority of voters.

ASSUMPTION (continued)

§72.401 - Annexation of property owners

Officials at the **Metropolitan St. Louis Sewer District** and the **St. Louis County Board of Election Commission** each assume no fiscal impact to their respective organizations from this proposal.

In response to a previous version, officials at the **Platte County Board of Election Commission**, the **Kansas City Board of Election Commission** and the **City of Kansas City** each assumed no fiscal impact to their respective organizations from this proposal.

In response to similar legislation on HCS for HB 1667, officials at the **City of Columbia** and the **City of Jefferson** each assumed no fiscal impact to their respective organizations from this proposal.

§192.310 - The City of St. Charles establishes and maintains local health department

In response to similar legislation (HB 1653), officials at **St. Charles County** estimated the fiscal impact of this proposal to be unknown. The County has no information as to the City's intentions should this legislation be passed into law.

In response to similar legislation (HB 1653), officials at the **Department of Health and Senior Services** assumed no fiscal impact from this proposal.

In response to similar legislation (HB 1653), officials at the **City of St. Charles** assumed no fiscal impact from this proposal.

In response to similar legislation (HB 1653), **Oversight** assumed this proposal to be permissive and will show a cost of \$0 or (Unknown) for Local Political Subdivisions.

ASSUMPTION (continued)

§221.407 - Regional jail districts submitting sales tax ballots

Officials at the **Office of the Secretary of State (SOS)** assume 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.

Officials at the **Department of Revenue** and the **Office of the State Treasurer** each assume no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (HB 1923), officials at the **State Tax Commission** assumed no fiscal impact from this proposal.

Oversight assumes regional jail districts may submit sales tax ballots from September 30, 2015 to September 30, 2027. Oversight assumed this to be permissive and will show this as a no fiscal impact to the proposal.

§488.2240 - Springfield can charge additional fees for upkeep of courthouse

In response to similar legislation (HB 1825), officials at the **Office of the State Courts Administrator** assumed the proposed legislation allows Springfield to charge an additional \$10 fee for each municipal ordinance violation case to pay for courthouse upkeep. During FY 2013, there were 29,761 municipal ordinance violations (731 alcohol/drug, 21,857 other traffic and 7,173 non-traffic) that may be eligible. Based on the \$10 court cost for each violation, the projected annual increase would be \$297,610 to unknown.

ASSUMPTION (continued)

Officials at the City of Springfield and Greene County did not respond to **Oversight's** request for fiscal impact.

§546.902 - Cities in Jackson County to enact ordinances

In response to similar legislation (HB 1829), officials at the **City of Kansas City**, the **City of Lee Summit** and the **City of Sugar Creek** each assumed no fiscal impact to their respective organizations from this proposal.

Officials at the City of Grandview, the City of Independence, the City of Raytown and Jackson County did not respond to **Oversight's** request for fiscal impact.

Bill as a whole

Officials at the **City of Kansas City**, the **Platte County Board of Election Commission** and the **City of Jefferson** each assume no fiscal impact to their respective organizations from this proposal.

Officials at the following board of election commissions: Clay County Board of Election Commission and Jackson County Board of Election Commission, and did not respond to **Oversight's** request for fiscal impact.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Joseph, St. Louis, St. Robert, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials from the Boone County Sheriff Department, Buchanan County Sheriff's Department, Clark County Sheriff's Department, Cole County Sheriff Department, Independence Police Department, Jefferson City Police Department, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Police Department and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for fiscal impact.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Kansas City Metro Community College, Moberly Area Community College, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, Truman State University and the University of Central Missouri did not respond to **Oversight's** request for fiscal impact.

Officials from the following school districts: Blue Springs, Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kansas City, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Additional Revenue</u> - Local Political Subdivisions - collection of fee for background check §§43.535, 43.543	Unknown	Unknown	Unknown
<u>Costs</u> - Local Political Subdivisions - Increase in staff time for running background checks §§43.535, 43.543	(Unknown)	(Unknown)	(Unknown)
<u>Income</u> - Local Political Subdivisions - from civil fines §49.272	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - Local Political Subdivisions - enforcement and administration of violations of county ordinances, etc. §49.272	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - Local Political Subdivisions - establishing and maintaining a local health department §192.310	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue</u> - City of Springfield - additional court fees §488.2240	Greater than <u>\$297,610</u>	Greater than <u>\$297,610</u>	Greater than <u>\$297,610</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Unknown greater than \$297,610 to <u>(Unknown)</u>	Unknown greater than \$297,610 to <u>(Unknown)</u>	Unknown greater than \$297,610 to <u>Unknown</u>

FISCAL IMPACT - Small Business

Various parts of this proposal affecting collections of fees and civil fines could affect small businesses.

FISCAL DESCRIPTION

This bill changes laws regarding political subdivisions. In its main provisions, the bill:

- (1) Expands the criteria for the selection of construction managers for state projects to include "whether the construction manager is a local business" and modifies the term "lowest and best bidder" to include the consideration of the locality of the prospective supplier;
- (2) Authorizes political subdivisions other than municipalities and counties to obtain a criminal record review for and to require fingerprinting of employment applicants;
- (3) Adds Buchanan County to the list of counties authorized to impose, by rule, regulation, or ordinance a civil fine of up to \$1,000 for each violation of any county rule, regulation, or ordinance;
- (4) Authorizes Perry County to impose, upon voter approval, a transient guest tax of up to 6% per occupied room per night to be used solely for the promotion of tourism;
- (5) Exempts certain voluntary annexations from boundary commission review in St. Louis County. The annexation is not prohibited by the existence of an established unincorporated area;
- (6) Adds the City of St. Charles to those cities that are exempt from the provisions regarding the appointment of a county health officer if the city furnishes the Department of Health and Senior Services with reports of designated contagious, infectious, communicable, or dangerous diseases and other required statistical information;
- (7) Extends the authority of the commission of any regional jail district to submit a ballot proposal imposing a region-wide sales tax for the purpose of funding a regional jail from September 30, 2015, to September 30, 2027;
- (8) Allows the City of Springfield to impose an additional court cost of up to \$10 for each municipal ordinance violation case filed before a municipal division judge or associate circuit judge. The city can only use the additional costs for land assemblage and purchase, construction, maintenance, and upkeep of a municipal courthouse;
- (9) Authorizes cities of the fourth classification within Jackson County to enact as penalties for ordinance violations a fine of up to \$1000, imprisonment not exceeding 3 months, or both fine and imprisonment; and

FISCAL DESCRIPTION (continued)

(10) The bill allows the county commission in all counties to adopt building codes if approved by the voters. Currently, only the county commission in first and second classification counties may adopt building codes if approved by the voters. Except in counties of the first and second classification, no structure used solely for specified agricultural purposes can be subject to any code adopted under these provisions.

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


Kansas City Board of Election Commission
St. Louis County Board of Election Commission
Metropolitan St. Louis Sewer District
Platte County Board of Election Commission
City of Columbia
City of Jefferson
City of Kansas City
University of Missouri System
Department of Natural Resources
Joint Committee on Administrative Rules
City of O'Fallon
Department of Conservation
Francis Howell School District
Fulton School District
Lincoln University
Linn State Technical College
Missouri Western State University
Office of Administration's Division of Purchasing
Office of Administration's Division of Facilities Management, Design and Construction
Special School District
St. Louis County
Missouri Department of Transportation
University of Missouri
Missouri Southern State University
Missouri State University
Northwest Missouri State University
Department of Public Safety's Missouri Highway Patrol

NM:LR:OD

SOURCES OF INFORMATION (continued)

Springfield Police Department
Columbia Police Department
Office of Sheriff of Jackson County
Cole County
Department of Public Safety's Division of Fire Safety
Department of Agriculture
Jackson Count Board of Election Commission
Department of Economic Development's Division of Tourism
Office of the Secretary of State
Department of Revenue
State Tax Commission
City of Perryville
St. Charles County
Department of Health and Senior Services
City of St. Charles
Office of the State Treasurer
Office of the State Courts Administrator
City of Lee Summit
City of Sugar Creek

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