

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6217-04  
Bill No.: HCS for HB 2383  
Subject: St. Louis City; Cities, Towns and Villages; Business and Commerce  
Type: Original  
Date: March 9, 2018

---

Bill Summary: This proposal authorizes any county treasurer and the St. Louis City treasurer to create an “Office of Financial Empowerment”.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<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 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials at the **City of St. Louis** assume a negative fiscal impact from this proposal. The Office of Financial Empowerment in the St. Louis Treasurer's Office was established by City ordinance No. 69809 (2014) as amended by City Ordinance No. 70057 (2015). These ordinances provided the Treasurer's office the local authorization for establishing the office as well as funding it from an increase in the net funded position of Parking Division funds. Ordinance No. 70057 further stipulates that said funding of the office is not to limit any portion of the funds to be allocated to the City's General Fund as designated in 82.485,RSMo. (Which stipulates the payment of up to 40% of the net change in parking meter fund balance.)

The proposed legislation seeks to codify the office of Financial Empowerment into state law. By doing so, however, the statute would remove the discretionary authority of the local legislative body to establish said office and to determine the use of what are essentially local funds. In addition, the proposed legislation makes no allowance or provision that the funding of the office is not to impair payments to City general revenue and the amended bill further adds the provision specific to the City of St. Louis that the Treasurer, as the parking supervisor, may make an annual appropriation to the budget of the Office of Financial Empowerment for operating expenses using moneys from the parking meter fund. The proposal is unclear on whether the appropriation requires approval of the Parking Commission.

This further removes appropriation authority from the local legislative body and would essentially allow for unchecked spending of parking division funds at the expense of City general revenue. Based on FY17 parking division results, the 40% of net change in fund balance will equate to \$1.7M in payments to City general revenue in the current fiscal year, all or portions of which could be jeopardized under the proposed legislation.

In response to a previous version, officials at the **City of St. Louis Treasurer's Office** assumed this proposal is meant to codify the Office of Financial Empowerment in state statute. The office is already created and has been in operation since 2015. Thus, it is the Office's position there is no fiscal impact to the City.

**Oversight** assumes this proposal is codifying the Office of Financial Empowerment into state statute. Oversight also assumes the total amount of parking revenue will not change and there may be differing effects on city departments (or city funds), but the net effect to the City of St. Louis will net to zero. Therefore, Oversight will not reflect a fiscal impact to the City of St. Louis.

ASSUMPTION (continued)

**Oversight** also assumes this proposal gives authority to any county to establish, as a division of the treasurer's office, the Office of Financial Empowerment codified in statute. Oversight assumes it will be up to the governing body of each county to establish this office as needed. Therefore, Oversight will reflect a \$0 fiscal impact for this proposal.

Officials at the **Department of Economic Development**, the **Office of Administration** and the **Department of Insurance, Financial Institutions and Professional Registration** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **St. Louis County** assume no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

City of St. Louis  
City of St. Louis Treasurer's Office  
Department of Economic Development  
Office of Administration  
Department of Insurance, Financial Institutions and Professional Registration  
St. Louis County

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director  
March 9, 2018