

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0861-01
Bill No.: HB 271
Subject: Political Subdivisions; Merchandising Practices; Cities, Towns and Villages
Type: Original
Date: March 4, 2019

Bill Summary: This proposal prohibits political subdivisions from adopting ordinances restricting the use of plastic bags or other disposable containers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** assume this legislation could have a negative fiscal impact on the City. For instance, the City would be prohibited from imposing a special tax on water sold in plastic bottles and may be unable to impose a sales tax on cups and bags.

Oversight inquired the City of Kansas City regarding this proposal. There is no current special tax on water sold in plastic bottles, cups and/or bags.

Officials at the **Office of the Attorney General**, the **Office of Administration**, the **Office of the State Courts Administrator** and the **Department of Natural Resources** each assume no fiscal impact to their respective agencies from this proposal.

Oversight notes that the Office of the Attorney General, the Office of Administration, the Office of the State Courts Administrator and the Department of Natural Resources have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials at the **Monroe County Assessor's Office**, the **Metropolitan St. Louis Sewer District** and the **City of Columbia** each assume no fiscal impact to their respective entities from this proposal.

In response to similar legislation from 2018, HCS for HB 1396, officials at **St. Louis County** and **Boone County** each assumed no fiscal impact to their respective entities from this proposal.

Oversight also reached out to the Department of Revenue to inquire if any taxes are collected on plastic goods. Upon the receipt of their response, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note. Therefore, Oversight will reflect a \$0 to unknown loss in potential tax revenues from this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2020 (10 Mo.)	 FY 2021	 FY 2022
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> - on potential tax revenues	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill preempts any political subdivision from imposing any restriction, tax, or prohibition upon the use of auxiliary containers including paper or plastic bags and other materials as defined in the bill. However, this bill does not apply to the use of auxiliary containers on county or city property, or any political subdivision's ordinance or agreement regarding recycling or solid waste disposal.

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 Kansas City
Office of the Attorney General
Office of Administration
Office of the State Courts Administrator
Department of Natural Resources
Monroe County Assessor's Office
City of Columbia
Metropolitan St. Louis Sewer District
St. Louis County
Boone County

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March 4, 2019



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