

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0921-01
Bill No.: HB 359
Subject: Fire Protection; Political Subdivisions; Cities, Towns and Villages; Taxation and Revenue - Property
Type: Original
Date: March 1, 2019

Bill Summary: This proposal authorizes the City of Greenwood to detach an area from a fire protection district that is within its city limits.

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	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **State Tax Commission** assume no fiscal impact from this proposal.

Oversight notes that the State Tax Commission has 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 for the State Tax Commission.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, the City of Greenwood and Jackson County 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.

Oversight assumes §321.480 stipulates that if the City of Greenwood wants to detach an area from the fire protection district that is within the city limits, the City must:

- file an action with the fire protection district by ordinance
- hold a public hearing
- two-thirds of the governing body of the city must approve the decision
- there would be no additional taxes collected or levied by the fire protection district

Oversight notes the area is currently being serviced by the Prairie Township Fire Protection District. The City of Greenwood also contracts with the City of Lee's Summit to provide fire protection and emergency medical services. The Prairie Township Fire Protection District levy for 2018 property taxes was 1.0253, while City of Greenwood's levy was 1.3673.

Oversight assumes the city would weigh the pros and cons of taxes that could be gained and services which would need to be provided from possible action taken by this proposal. Oversight assumes until action is taken by the governing body of the City of Greenwood to authorize this action, it is unclear if there would be a direct fiscal impact. Therefore, Oversight will reflect a positive unknown to negative unknown fiscal impact for this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2020
(10 Mo.)

FY 2021

FY 2022

POLITICAL SUBDIVISIONS

Savings - of funds from detached areas serviced by a fire district

\$0 to Unknown

\$0 to Unknown

\$0 to Unknown

Loss - Prairie Township Fire Protection District - property taxes from detached areas

\$0 to
(Unknown)

\$0 to
(Unknown)

\$0 to
(Unknown)

**ESTIMATED NET EFFECT ON THE
POLITICAL SUBDIVISIONS**

**Unknown to
(Unknown)**

**Unknown to
(Unknown)**

**Unknown to
(Unknown)**

FISCAL IMPACT - Small Business

There could be a direct fiscal impact to small businesses' insurance premiums if the small business is serviced by a different fire department/district as a result of this proposal.

FISCAL DESCRIPTION

This bill creates a process by which any city of the fourth classification with more than 5,000 but fewer than 5,500 inhabitants and located in any county with a charter form of government and with more than 600,000 but fewer than 700,000 inhabitants may detach, by ordinance, an area of the city within a fire protection district from the fire protection district. This process contains certain notice and hearing requirements.

If an ordinance is passed, the fire protection district shall no longer provide fire protection and ambulance services to the excluded area, and shall not levy any tax upon the property within the excluded area upon the effective date of the ordinance, except that such property shall be subject to taxation for the payment of any indebtedness of the fire protection district outstanding as of the ordinance's effective date.

The provisions of this bill shall not apply in any county in which a boundary commission has been established pursuant to Section 72.400, RSMo.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

State Tax Commission



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March 1, 2019

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March 1, 2019