

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3983-01
Bill No.: HB 1463
Subject: Political Subdivisions; Merchandising; Cities, Towns and Villages
Type: Original
Date: January 21, 2020

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 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

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 (although it does not currently have such a tax) and may be unable to impose a sales tax on cups and bags.

Officials at the **City of Springfield** assume this legislation could have a negative fiscal impact on the City. The proposal impedes upon the City's police power (or the City's right as a Charter City to regulate the activity described) and could potentially lead to increased enforcement costs. The impact is unknown at this time.

Oversight inquired the City of Springfield if they were currently collecting any special tax on plastic bottles, cup and/or bags at this time. Oversight will update any future notes with their response.

Officials at the **Office of the Attorney General**, the **Department of Revenue**, 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 specifically inquired the Department of Revenue as to whether any local taxes were being collected by local political subdivisions on plastic bags or other disposable containers. The Department of Revenue said that no taxes were being collected on this by local political subdivisions.

Officials at the **City of O'Fallon** and the **Metropolitan St. Louis Sewer District** each assume no fiscal impact to their respective entities from this proposal.

Oversight notes the Office of the Attorney General, the Department of Revenue, the Office of Administration, the Office of the State Courts Administrator, the Department of Natural Resources, the City of O'Fallon and the Metropolitan St. Louis Sewer District have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

ASSUMPTION (continued)

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties, and sewer districts were requested to respond to this proposed legislation, but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight also notes eight states have banned single-use plastic bags according to the National Conference of State Legislatures: California, Connecticut, Delaware, Hawaii, Maine, New York, Oregon and Vermont.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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 Kansas City
City of Springfield
Office of the Attorney General
Department of Revenue
Office of Administration
Office of the State Courts Administrator
Department of Natural Resources
City of O'Fallon
Metropolitan St. Louis Sewer District

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January 21, 2020



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