

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3703H.08T
 Bill No.: Truly Agreed To and Finally Passed CCS for SS for SCS for HCS for HB 1606
 Subject: Political Subdivisions; Counties
 Type: Original
 Date: June 3, 2022

Bill Summary: This proposal changes laws regarding political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2026)
General Revenue*/**/ ***	(Unknown, could exceed \$1,980,010)	(Unknown, could exceed \$153,665)	(Unknown, could exceed \$156,149)	(Unknown, could exceed \$396,859 to \$2,677,877)
Total Estimated Net Effect on General Revenue	(Unknown, could exceed \$1,980,010)	(Unknown, could exceed \$153,665)	(Unknown, could exceed \$156,149)	(Unknown, could exceed \$396,859 to \$2,677,877)

*Part of the fiscal impact to the state is the potential loss of the Department of Revenue's 2% collection fee. Oversight has ranged the impact from \$0 (debt is already considered uncollectible and DOR would not have received the 2% fee even without this proposal) to \$1,834,605 (which represents if DOR would have collected 100% of the \$91 million of outstanding debt allowed to be reduced by this proposal). **Oversight** assumes the actual loss to the state for these provisions is on the very low end of this range.

**The fiscal impact (per match) for §144.051 is ranged from \$0 (Kansas City is not selected to host a FIFA World Cup Match) OR a range of roughly \$105 per ticket (assuming seating capacity will remain at 76,416 as currently configured for American football) to \$1,100 per ticket. If Kansas City were selected to host more than one match, the negative fiscal impact would exceed the impact estimated above.

*****Oversight** notes the lower range simply represents the cost of the estimated FTE needed by the Department of Economic Development (DED).

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2026)
Parks, Soil, Water Fund	\$0	\$0	\$0	\$0 or (\$8,024 to \$84,058)
Conservation Commission Fund	\$0	\$0	\$0	\$0 or (\$10,030 to \$105,072)
School District Trust Fund	\$0	\$0	\$0	\$0 or (\$80,237 to \$840,576)
Truman State University	Unknown to (Unknown)	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown to (Unknown)	\$0	\$0	\$0 or (\$98,291 to \$1,029,706)

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2026)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2026)
General Revenue	2 FTE	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE	2 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2026)
Local Government*	(Unknown, could exceed \$555,241)	(Unknown, could exceed \$3,353,692)	(Unknown, could exceed \$3,353,692)	(Unknown, could exceed \$3,724,787 to \$7,241,356)

*(§105.145) Part of the net fiscal impact to the local political subdivision is the potential loss of the Department of Revenue’s 2% collection fee. Oversight has ranged the impact from \$0 (debt is already considered uncollectible and DOR would not have received the 2% fee even without this proposal) to \$1,834,605 (which represents if DOR would have collected 100% of the \$91 million of outstanding debt allowed to be reduced by this proposal). **Oversight** assumes the actual impact is on the very low end of this range.

FISCAL ANALYSIS

ASSUMPTION

SEQ CHAPTER 50.327 & 58.095 – Compensation for County Coroners and Salary Schedules for 3rd Class Counties

Officials from the **Office of Administration - Budget and Planning (B&P)** state these provisions address the salaries of county officials, including county coroners. B&P defers to the counties for the fiscal impact of these provisions.

In response to similar legislation from this year, SB 1128, officials from various counties did not respond to **Oversight's** request for fiscal impact regarding this proposal.

Oversight assumes §§50.327 & 58.095 state the county commission is responsible for determining the salary for the county coroner in non-charter counties. Section 58.095 contains the base schedule of salaries as determined by the assessed valuation of the county. Section 50.327 adds an additional salary increase of up to \$14,000 on top of the base schedule if approved by the county commission. Oversight is unclear of how much each county coroner receives in salary. However, there are 109 non-charter counties that could be considered for the additional funds in section 58.095 (if approved by the appropriate county commission). Oversight assumes if all of these counties approved the \$14,000 increase, this could be up to \$1,526,000 in increased salaries for coroners. However, Oversight assumes no increase coroner's salaries would take place without the approval by the county commission. Therefore, Oversight will assume a cost of \$0 (no salary increases) or up to \$1,526,000 (salary increases approved in every non-charter county) for coroners for this proposal.

Oversight also notes in similar legislation from this year, SB 704, §50.327.4 relates to the following 3rd class counties and their assessed valuations as of the 2020 census that are greater than the three hundred million dollars:

	County	2020
	<u>Classification</u>	<u>Assessed Valuation</u>
Adair	3	415,860,739
Andrew	3	309,826,694
Audrain	3	416,179,373
Barry	3	578,441,026
Benton	3	307,087,967
Butler	3	667,507,793
Clinton	3	353,505,104
Crawford	3	368,867,929
Dunklin	3	314,994,430
Henry	3	435,915,841
Howell	3	534,978,779
Laclede	3	490,308,053
Lawrence	3	546,241,819
Marion	3	519,654,554
McDonald	3	315,078,544
Miller	3	492,134,546
Morgan	3	572,600,385
New Madrid	3	455,255,626
Nodaway	3	399,126,552
Perry	3	404,312,108
Phelps	3	687,863,962
Pike	3	307,484,509
Polk	3	397,316,316
Pulaski	3	553,132,765
Randolph	3	526,364,813
Ray	3	393,522,956
Scott	3	536,493,885
Ste. Genevieve	3	891,214,089
Stoddard	3	522,288,378
Stone	3	749,458,097
Warren	3	674,203,668
Webster	3	508,888,557

Oversight notes the proposal does not specify how the base schedules should be amended for the computation of salaries for 3rd class county positions. Currently, the base salary for each of the positions in this section are as follows:

		Base Salary at \$300,000,000
<u>Section</u>		<u>Assessed Valuation</u>
49.082	County Commissioners	\$ 29,700
50.334	Recorder of Deeds	\$ 45,000
51.281	County Clerks	\$ 45,000
51.282	County Clerk (Clay)	\$ 34,500
52.269	County Collectors	\$ 45,000
53.082	Assessors	\$ 45,000
53.083	Assessor (Clay)	N/A
54.261	Treasurers	\$ 45,000
54.320	Collector/Treasurer (Townships)	\$ 45,000
55.091	Auditor	\$ 45,000
56.265	Prosecuting Attorneys	\$ 55,000
58.095	Coroners	\$ 16,000
473.742	Public Administrators	\$ 45,000

Therefore, **Oversight** will also assume a \$0 (no adjustment to salaries) or unknown additional costs to 3rd class county salaries for this section of the proposal.

§§50.815 & 50.820 – County Financial Statements

Officials from the **Office of Administration - Budget and Planning (B&P)** state these provisions modify the requirements associated with the publishing of political subdivision financial statements. B&P defers to the county governments for the fiscal impact of these provisions.

Officials from the **Clay County Auditor's Office** assume the provisions from RSMo 50.815.2.8 to include salary information in the annual financial statement will cost Clay County approximately another \$161.00 to publish more information in the newspaper--based on recent costs for publication.

Oversight assumes the Clay County Auditor's Office is provided with core funding to handle a certain amount of activity each year. Oversight assumes the Clay County Auditor's Office could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the Auditor's Office could request funding through the appropriation process.

In response to similar legislation from 2020, HB 1814, officials at **Henry County** assumed a savings of \$1,800 annually in publication costs from this proposal.

Oversight inquired with Henry County regarding this proposal. The County currently submits a 14 page document to the newspaper which lists out every dollar by vendor. Since this proposal requires a summary of data to be published in the newspaper, Henry County's publishing costs

would be reduced as the number of pages would be reduced that would be submitted to the newspaper.

In response to similar legislation from 2020, HB 1814, officials at **Lincoln County** assumed a savings of \$2,000 annually in publication costs from this proposal.

In response to similar legislation from 2020, HB 1814, officials at **Livingston County** assumed a savings of \$2,500 annually in publication costs from this proposal.

Oversight assumes using the counties above as an example, if the average savings of the three counties publication costs is \$2,100 and 96 counties (2nd, 3rd and 4th class counties) in Missouri published their financials in the newspaper, the potential savings could be up to \$201,600 ($\$2,100 * 96$) per year. Therefore, **Oversight** will reflect a potential savings in publication costs for counties to post their financials through a newspaper of general circulation in their county that could exceed \$100,000 annually from this proposal.

In response to similar legislation from this year, SB 845, officials from **Boone County** and **Greene County** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for these agencies.

§55.160 – Positions of County Auditors

Officials from the **Office of Administration - Budget and Planning (B&P)** state this provision states that the auditor shall have access to and the ability to audit and examine all claims for which a county officer has fiduciary responsibility. B&P defers to the county governments for the fiscal impact of these provisions.

In response to similar legislation from this year, SB 889, officials from the **Christian County Auditor's Office** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for this section.

§473.742 – Salaries of Public Administrators

Officials from the **Office of Administration - Budget and Planning (B&P)** state this provision addresses the salaries of county public administrators. B&P defers to the counties for the fiscal impact of this provision.

In response to similar legislation from this year, SB 1088, officials from **Clinton County** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for this agency.

In response to similar legislation from this year, HCS for HB 2450, officials from the Public Administrator's Office for the **City of St. Louis** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight notes each county has a public administrator, including the City of St. Louis. Oversight also notes that, currently, an incoming public administrator may elect to receive a salary or receive fees as may be allowed by law. Under terms of this proposal every public administrator beginning a first term on or after January 1, 2023, shall be deemed to have elected to receive a salary as provided in this section. Oversight assumes this proposal would potentially increase the salaries in 2nd, 3rd and 4th class counties based on assessed valuation. Oversight took the highest salary cap at 39 letters opened of \$25,000 and calculated the difference in salary that would be increased based on the assessed valuation in the chart below. Using the Total Assessed Valuation by County in the 76th Annual Report from the State Tax Commission, Oversight also organized the 2nd, 3rd, and 4th class counties into salary classifications based on the assessed valuation. From this chart, Oversight assumes there could be salary increases collectively exceeding \$1,721,000. Adding additional payroll taxes and workers' compensation would yield a potential cost that could exceed \$1,927,692 and Oversight will reflect this amount in the fiscal note for this proposal.

<u>Assessed Valuation</u>	<u>County Class</u>	<u>Number of Counties*</u>	<u>Highest Salary</u>	<u>Assessed Salary</u>	<u>Difference in Salary</u>	<u>Potential Adjusted Salary</u>
\$8,000,000 to \$40,999,999	3	1	\$25,000	\$ 29,000	\$ 4,000	\$ 4,000
\$41,000,000 to \$53,999,999	0	0	\$25,000	\$ 30,000	\$ 5,000	\$ -
\$54,000,000 to \$65,999,999	0	0	\$25,000	\$ 32,000	\$ 7,000	\$ -
\$66,000,000 to \$85,999,999	3	2	\$25,000	\$ 34,000	\$ 9,000	\$ 18,000
\$86,000,000 to \$99,999,999	3	2	\$25,000	\$ 36,000	\$ 11,000	\$ 22,000
\$100,000,000 to \$130,999,999	3	10	\$25,000	\$ 38,000	\$ 13,000	\$ 130,000
\$131,000,000 to \$159,999,999	3	13	\$25,000	\$ 40,000	\$ 15,000	\$ 195,000
\$160,000,000 to \$189,999,999	3	8	\$25,000	\$ 41,000	\$ 16,000	\$ 128,000
\$190,000,000 to \$249,999,999	3	12	\$25,000	\$ 41,500	\$ 16,500	\$ 198,000
\$250,000,000 to \$299,999,999	3	9	\$25,000	\$ 43,000	\$ 18,000	\$ 162,000
\$300,000,000 to \$449,999,999	3, 4	15	\$25,000	\$ 45,000	\$ 20,000	\$ 300,000
\$450,000,000 to \$599,999,999	3, 4	14	\$25,000	\$ 47,000	\$ 22,000	\$ 308,000
\$600,000,000 to \$749,999,999	3, 4	6	\$25,000	\$ 49,000	\$ 24,000	\$ 144,000
\$750,000,000 to \$899,999,999	3	1	\$25,000	\$ 51,000	\$ 26,000	\$ 26,000
\$900,000,000 to \$1,049,999,999	2	2	\$25,000	\$ 53,000	\$ 28,000	\$ 56,000
\$1,050,000,000 to \$1,199,999,999	2	1	\$25,000	\$ 55,000	\$ 30,000	\$ 30,000
\$1,200,000,000 to \$1,349,999,999	0	0	\$25,000	\$ 57,000	\$ 32,000	\$ -
\$1,350,000,000 and over	0	0	\$25,000	\$ 59,000	\$ 34,000	\$ -
		96				\$ 1,721,000
				Payroll taxes	7.65%	\$ 131,657
				Work Comp	4.36%	\$ 75,036
				Grand Total		\$ 1,927,692

*Number of Counties were based off of the Total Assessed Valuation by County in the 76th Annual Report from the State Tax Commission

§105.145 – Financial statements of political subdivisions

Officials from the **Office of Administration - Budget and Planning (B&P)** state §105.145 of the proposal excludes the fine for failure to submit annual financial statements for political subdivisions with gross revenues of less than \$5,000, or for political subdivisions that have not levied or collected sales or use taxes in the fiscal year. This may result in a revenue loss for both the state and schools.

It also provides grace from fines if the failure to timely submit the annual financial statement is the result of fraud or other illegal conduct and allows a refund by the Department of Revenue (DOR) of any fines already paid under these circumstances. The one-time 90% downward adjustment DOR is allowed to make on outstanding fine or penalty balances after January 1, 2023 results in the amount of collections being reduced for both the state and DOR collection fees. A similar downward adjustment may be made by DOR if the outstanding fines are deemed uncollectable. These downward adjustments will likewise result in a revenue loss for both the state and schools.

Based on information from DOR, the department started imposing this fine in August 2017. B&P defers to DOR for more specific estimates of fines and actual collection costs.

Officials from the **Department of Revenue (DOR)** state §105.145- Annual Financial Statement (Effective August 28, 2022) provides that currently local political subdivisions are required to file annual financial statements with the State Auditor's Office. Failure to file those statements results in the political subdivision being assessed a fine of \$500 per day per statutes, which is deposited into local school district funds. DOR notes that the Department started imposing this fine in August 2017. DOR receives notice from the State Auditor's Office if a political subdivision does not file their annual financial statement. At that time, the DOR sends a notice to the political subdivision and thirty days later the fee starts to accumulate.

DOR collects the fine by offsetting any sales or use tax distributions due to the political subdivisions. In essence, the DOR only gets to collect the fee if the political subdivision has a sales or use tax. Most of these political subdivisions do not have a sales or use tax for the Department to collect, so the DOR assumes much of what is owed is uncollectable. This is not state money but local political subdivision funds.

Currently, a transportation development district that has gross revenues of less than \$5,000 in a fiscal year is not subject to this fine. This provision will be expanded to any political subdivisions that does not levy or collect tax will be exempt from the penalty.

The DOR notes that per statute, the DOR is allowed to retain 2% of the amount collected for administration. Since the program began, DOR has collected \$66,621 (rounded) which has been deposited into General Revenue. All DOR collection fees are deposited into General Revenue and are not retained by the DOR.

In regards to the \$500 per day fine, this proposal would not allow for the assessment of the fine if a district does not have gross revenue over \$5,000 or has not levied or collected taxes.

Current records of the DOR show total fines assessed of \$105,253,522 and that \$3,331,032 (rounded) has been collected. The DOR is showing the assessment of the fines by the county in which the district that owes the fine is located.

County	Total Fine Imposed	Total Fine Collected
Adair	\$751,000.00	\$1,500.00
Andrew	\$63,500.00	\$0.00
Atchison	\$855,000.00	\$0.00
Audrain	\$1,014,500.00	\$0.00
Barry	\$1,863,500.00	\$16,202.57
Barton	\$0.00	\$0.00
Bates	\$944,000.00	\$30,500.00
Benton	\$236,500.00	\$0.00
Bollinger	\$1,682,500.00	\$0.00
Boone	\$259,000.00	\$24,588.62
Buchanan	\$1,100,000.00	\$53,342.38
Butler	\$1,624,000.00	\$35,414.25
Caldwell	\$100,000.00	\$15,312.17
Callaway	\$493,000.00	\$2,635.05
Camden	\$1,002,000.00	\$22,360.55
Cape Girardeau	\$280,000.00	\$0.00
Carroll	\$3,127,000.00	\$0.00
Carter	\$1,908,000.00	\$103,500.00
Cass	\$4,128,500.00	\$5,184.54
Cedar	\$221,000.00	\$28,500.00
Chariton	\$659,500.00	\$39,500.00
Christian	\$2,219,500.00	\$0.00
Clark	\$652,000.00	\$37,500.00
Clay	\$1,211,000.00	\$14,500.00
Clinton	\$982,000.00	\$16,500.00
Cole	\$633,000.00	\$5,097.95
Cooper	\$1,220,000.00	\$17,500.00
Crawford	\$1,335,500.00	\$15,500.00
Dade	\$211,500.00	\$0.00
Dallas	\$1,202,500.00	\$0.00
Daviess	\$623,500.00	\$0.00
DeKalb	\$643,500.00	\$0.00
Dent	\$194,500.00	\$0.00
Douglas	\$0.00	\$0.00
Dunklin	\$1,790,000.00	\$14,131.34
Franklin	\$1,357,000.00	\$1,064.01

Gasconade	\$65,500.00	\$5,036.88
Gentry	\$1,372,000.00	\$26.98
Greene	\$705,500.00	\$0.00
Grundy	\$847,500.00	\$0.00
Harrison	\$588,000.00	\$0.00
Henry	\$786,000.00	\$77,296.43
Hickory	\$614,500.00	\$0.00
Holt	\$1,701,000.00	\$10,500.00
Howard	\$888,000.00	\$147,500.00
Howell	\$642,500.00	\$11,000.00
Iron	\$29,500.00	\$12,000.00
Jackson	\$2,060,500.00	\$297,846.94
Jasper	\$327,500.00	\$101,100.62
Jefferson	\$1,203,000.00	\$19,301.01
Johnson	\$589,500.00	\$1,500.00
Knox	\$1,168,500.00	\$0.00
Laclede	\$240,000.00	\$12,000.00
Lafayette	\$283,500.00	\$34,028.54
Lawrence	\$2,699,500.00	\$0.00
Lewis	\$1,583,000.00	\$0.00
Lincoln	\$1,051,500.00	\$31,000.00
Linn	\$795,500.00	\$15,000.00
Livingston	\$1,158,000.00	\$0.00
Macon	\$236,500.00	\$0.00
Madison	\$1,777,500.00	\$79,389.02
Maries	\$118,000.00	\$0.00
Marion	\$55,500.00	\$0.00
McDonald	\$161,500.00	\$0.00
Mercer	\$439,000.00	\$0.00
Miller	\$801,500.00	\$4,598.44
Mississippi	\$101,000.00	\$4,977.98
Moniteau	\$0.00	\$0.00
Monroe	\$42,000.00	\$10,000.00
Montgomery	\$311,000.00	\$3,500.00
Morgan	\$0.00	\$0.00
New Madrid	\$1,631,500.00	\$122,693.96
Newton	\$440,500.00	\$25,500.00

Nodaway	\$2,637,000.00	\$19,500.00
Oregon	\$0.00	\$0.00
Osage	\$610,500.00	\$12,104.21
Ozark	\$43,000.00	\$43,000.00
Pemiscot	\$2,513,000.00	\$6,500.00
Perry	\$1,613,500.00	\$0.00
Pettis	\$599,000.00	\$0.00
Phelps	\$333,500.00	\$50,000.00
Pike	\$19,500.00	\$0.00
Platte	\$890,000.00	\$22,500.00
Polk	\$507,500.00	\$0.00
Pulaski	\$1,327,500.00	\$17,000.00
Putnam	\$3,000.00	\$0.00
Ralls	\$177,500.00	\$38,326.99
Randolph	\$1,177,000.00	\$10,500.00
Ray	\$2,211,500.00	\$0.00
Reynolds	\$595,500.00	\$1,184.60
Ripley	\$342,500.00	\$0.00
Saline	\$849,500.00	\$0.00
Schuyler	\$449,000.00	\$18,500.00
Scotland	\$757,500.00	\$0.00
Scott	\$1,853,000.00	\$620.44
Shannon	\$287,000.00	\$135,998.71
Shelby	\$6,500.00	\$6,500.00
St. Charles	\$1,361,500.00	\$67,084.06
St. Clair	\$2,012,500.00	\$265.88
St. Francois	\$294,000.00	\$0.00
St. Louis	\$3,260,500.00	\$895,058.73
St. Louis City	\$5,548,000.00	\$149,299.59
Ste. Genevieve	\$0.00	\$0.00
Stoddard	\$1,346,500.00	\$136,084.38
Stone	\$886,022.00	\$88,521.99
Sullivan	\$695,500.00	\$0.00
Taney	\$1,453,500.00	\$8,500.00
Texas	\$1,096,500.00	\$42,500.00
Vernon	\$1,227,000.00	\$12,000.00
Warren	\$10,500.00	\$10,500.00

Washington	\$680,500.00	\$12,000.00
Wayne	\$1,026,000.00	\$852.29
Webster	\$429,000.00	\$0.00
Worth	\$19,000.00	\$0.00
Wright	\$0.00	\$0.00
Grand Total	\$105,253,522.00	\$3,331,032.10

This proposal would result in fewer fines being assessed in the future. As stated previously, many of these current political subdivisions do not have any sales or use tax collected, so they may be able to avoid the current large penalties.

This proposal also allows for a one-time reduction of a political subdivisions current outstanding balance. Should a political subdivision file its reports by January 1, 2023, they will be entitled to a one-time downward adjustment of their existing fine by 90%.

The current outstanding balance is \$101,922,490 (\$105,253,522 owed - \$3,331,032.10 collected, rounded). This is money the Department notes is owed, but most likely uncollectable. Should it be collected, it would be forwarded to the local school district funds. If all the fine money is eligible for the one-time reduction, this would result in \$94,728,170 ($\$105,253,522 * .90$, rounded) no longer being owed.

Oversight notes if all political subdivisions file their report and receive the reduction, it would be a loss of \$89,895,636 to the local school districts from not receiving the fine money, a loss to the state of \$1,834,605 in collection fees and a gain to the local political subdivisions of \$91,730,241 ($\$101,922,490 * 90\%$).

Reducing the future fines would help save the local political subdivisions money; however, due to the uncollectability of most of this money, the DOR assumes no additional impact to the state.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a potential loss of fine revenue stated by DOR to the General Revenue Fund for this proposal. Also, Oversight notes that because of the new language for certain local political subdivisions who have gross revenues of less than \$5,000 or who have not levied or collected a sales and use tax in the fiscal year or if the failure to file a financial statement is the result of fraud or illegal conduct by an employee or officer of the political subdivision and the political subdivision complies with filing the financial statement within thirty days of the discovery of the fraud or illegal conduct, then the fine shall not be assessed and could result in a savings to local political subdivisions on fine fees. Therefore, Oversight will also reflect a savings to local political subdivisions of \$0 to unknown for this proposal.

Oversight also notes this proposal is allowing a political subdivision that files its financial statement before January 1, 2023 to receive a one-time 90% reduction of their outstanding balance of their fines owed.

Oversight also notes that the loss in fine revenue collected by DOR would result in a savings to the local political subdivisions who would no longer need to pay the fine revenue. It would also result in a loss of revenue to School Districts from these fines no longer being collected. Therefore, Oversight will reflect a savings to local political subdivisions on the fines no longer being collected and a loss of 98% of the fine revenue no longer going to the school districts for this proposal. Oversight notes that the Department of Revenue is allowed to retain two percent of the fine revenue collected (per §105.145.11). Oversight assumes a large majority of the \$101,922,490 of outstanding fines to be uncollectible. Therefore, Oversight will range the fiscal impact from this proposal from \$0 to DOR's estimates.

In response to similar legislation from 2021, SB 547, officials from the **City of Corder**, the **City of Hughesville** and the **City of O'Fallon** each assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these cities.

§304.022 – Emergency Vehicles for Park Rangers

In response to similar legislation from this year, Perfected HB 1637, officials from the **City of Hughesville**, the **City of Springfield**, the **City of St. Louis**, the **Kansas City Police Department**, **Gordon Parks Elementary**, the **University of Missouri**, and the **Hermann Area Hospital District** assumed the proposal will have no fiscal impact on their respective organizations.

Oversight assumes no fiscal impact on state or local governments for this section of the proposal.

§§67.457, 67.461, 67.1421, 67.1431, 99.825, 99.830, 99.865, 238.212 & 238.222 – Special Taxing Districts

Officials from the **Office of Administration - Budget and Planning (B&P)** state these provisions set information submission and website posting requirements for cities or counties establishing a neighborhood or community improvement, and transportation development districts to the State Auditor and DOR. It also prohibits any real property assessment within a planned neighborhood improvement district until the information submission is complete. B&P defers to the local government and DOR for the fiscal impact.

Officials from the **Department of Revenue (DOR)** assume this proposal requires that neighborhood improvement districts, community improvement districts, redevelopment districts and transportation authority districts send certain specified documents to the DOR. The required information includes:

Updated boundary information

Description of the boundaries and the average assessment

Copies of the establishment of the district paperwork

Copies of dissolution paperwork should a district be dissolved

Copies of all meeting notices, hearing and ordinances.

Information received by the DOR is to be posted on the website. DOR notes collecting this information is outside the scope of DOR's work. DOR notes this would require the creation of a webpage that citizens could use to view these documents. DOR staff would create and maintain the webpage. DOR would establish an email address for the acceptance of the documents. The creation of the webpage and setting up of the email will be done with existing DOR resources.

From working with numerous special districts around the state DOR knows that many of these required notices will be sent via paper instead of email. Based on the number of documents filed, DOR will need 1 FTE Public Relations Specialist FTE to handle these duties. Should additional paperwork be sent justifying additional FTE, DOR will seek those FTE through the appropriation process.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimated FTE costs as provided by the DOR.

For informational purposes, **Oversight** notes the following number of taxing authorities for the last 5 years from the State Auditor Property Tax Rate Report.

	<u>FY21</u>	<u>FY20</u>	<u>FY19</u>	<u>FY18</u>	<u>FY17</u>
Ambulance Districts	106	106	106	106	105
Hospitals	11	11	12	12	13
Nursing Home Districts	30	30	30	30	30
Public Water Supply Districts	1	1	1	1	1
Soil & Water Conservation Subdistricts	27	27	27	27	27
Drainage and Levee Districts	2	2	2	2	2
Special Road Districts	206	207	208	206	208
Municipalities	757	756	757	754	753
Tax Supported Public Libraries	79	79	79	79	79
Townships	283	283	283	283	283
Fire Protection Districts	391	388	384	380	376
Sewer Districts	7	7	7	7	7
Special Business Districts	17	17	18	18	20
Regional Recreational Districts	1	1	1	1	1
Community Improvement Districts	11	11	12	12	8
Health Centers	90	90	90	90	90
Special Road District Subdistrict	1	1	1	1	1
Extension Districts	2	1	1	1	1
Transportation Development District	1	1	1	1	1
Developmental Disabilities	0	0	0	0	4
Junior Colleges	12	12	12	12	12
Museum District	1	1	1	1	1
School Districts	495	495	495	495	495
Special School Districts	2	2	2	2	2
Counties	<u>114</u>	<u>114</u>	<u>114</u>	<u>114</u>	<u>114</u>
Total Types of Taxing Authorities	2647	2643	2644	2635	2634
Source: State Auditor Property Tax Rate Report					

In response to similar legislation from this year, HCS for SCS for SB 908, officials from the **City of Springfield**, the **City of Hughesville** and the **City of O'Fallon** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§57.317 – Sheriff Salaries – Boone County

Officials from the **Office of Administration - Budget and Planning (B&P)** state this section excludes the Boone County Sheriff from the salary schedule established in this section. Which means the salary decision becomes the responsibility of the Boone County Commission. B&P defers to Boone County for the fiscal impact of this provision.

Oversight notes in similar legislation, SB 1036 from this year, county commissions were asked to respond to Oversight’s request for fiscal impact, but did not provide any information. Oversight notes this amendment pertains to the Boone County Sheriff’s salary. Oversight assumes this amendment does not place a limitation on the salary of the Boone County Sheriff and, therefore, there could be a potential increase from the in salary that would be higher than what current statute dictates. Because Oversight is unclear on how much of an increase could be received by the Boone County Sheriff, Oversight will assume a \$0 or unknown cost to the Boone County Sheriff’s Office for this section.

§144.051 – 2026 FIFA World Cup Tickets Sales Tax Exemption

Officials from the **Office of Administration - Budget and Planning (B&P)** note this provision provides a two-month sales tax exemption for the 2026 FIFA World Cup soccer tournament to be held in Jackson County. B&P defers to DOR and Jackson County for the fiscal impact of this tax provision, may impact the calculation under Article X, Section 18(e).

Officials from the **Department of Revenue (DOR)** stated this proposal grants a state and local sales and use tax exemption for admission tickets to the 2026 FIFA World Cup soccer tournament. The tournament is scheduled to be played in July 2026. Historically tickets go on sale the month before and are sold out within hours. The FIFA association is in the process of choosing a site. The City of Kansas City is under consideration as one of the sites. It is unknown if they will get chosen and if chosen whether they would host a group match or final match.

This sales tax exemption would be limited to June 1, 2026- July 31, 2026 in Kansas City for the tickets sales of the event. If Kansas City is not chosen then this proposal will not have a fiscal impact. If Kansas City is chosen, they are expected to play at Arrowhead Stadium; which has a seating capacity of 76,416. The average ticket prices for the 2022 World Cup show that group match tickets are between \$105- \$210, while final matches sell for \$455-\$1,100. Using this information they calculated:

Total Estimated Ticket Sales	Low	High
Group Match	\$8,023,680	\$16,047,360
Finals	\$34,769,280	\$84,057,600

The state sales and use tax rate is 4.225% broken down:

General Revenue 3%

School District Trust 1%

Conservation Commission .125%

Park, Soil & Water .1%

The impact will be either \$0 (not selected as a site) or the amounts projected below:

Estimated Impact by State Fund

Group Match	FY 2026	
State Fund	Low Price	High Price
General Revenue	(\$240,710.00)	(\$481,421.00)
Education	(\$80,237.00)	(\$160,474.00)
Conservation	(\$10,030.00)	(\$20,059.00)
DNR	(\$8,024.00)	(\$16,047.00)
Total State Revenues	(\$339,000.00)	(\$678,001.00)

OR

Estimated Impact by State Fund

Finals Match	FY 2026	
State Fund	Low Price	High Price
General Revenue	(\$1,043,078.00)	(\$2,521,728.00)
Education	(\$347,693.00)	(\$840,576.00)
Conservation	(\$43,462.00)	(\$105,072.00)
DNR	(\$34,769.00)	(\$84,058.00)
Total State Revenues	(\$1,469,002.00)	(\$3,551,434.00)

Arrowhead Stadium is in the following taxing jurisdictions. Jackson County has a local sales tax rate of 1.25%, Kansas City has a 3.25% rate and the Kansas City Zoological District has a .0125% rate for a total of 4.625%. We will use the 4.625% for the fiscal note.

Estimated Local Sales Tax Impact FY 2026	Local Sales Tax	
Group Match	Low Price	High Price
Jackson County	(\$100,296.00)	(\$200,592.00)
Kansas City	(\$260,770.00)	(\$521,539.00)
Kansas City Zoological District	(\$10,030.00)	(\$20,059.00)
Group Match Total	(\$371,095.00)	(\$742,190.00)

OR

Estimated Local Sales Tax Impact FY 2026	Local Sales Tax	
	Low Price	High Price
Jackson County	(\$434,616.00)	(\$1,050,720.00)
Kansas City	(\$1,130,002.00)	(\$2,731,872.00)
Kansas City Zoological District	(\$43,462.00)	(\$105,072.00)
Final Match Total	(\$1,608,079.00)	(\$3,887,664.00)

DOR assumes this proposal will require programming changes estimated to be \$3,596.

Oversight notes that **DOR** assumes this proposal will require programming changes with an estimated cost of \$3,596. **Oversight** assumes the **DOR** is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes **DOR** could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, **DOR** could request funding through the appropriation process. Officials from the **DOR** assume the proposal will have no fiscal impact on their organization.

Oversight notes that both **B&P** and **DOR** assume the proposal will have a negative fiscal impact on state revenue and local funds. Therefore, **Oversight** will reflect **B&P**'s and the **DOR**'s estimates and range their high and low impacts per match on the fiscal note as summarized in table below.

Estimated Fiscal Impact to General Revenue

Officials from the **City of Kansas City** assume the proposal creating a sales tax exemption for the World Cup tickets could have a negative fiscal impact on Kansas City in lost sales tax revenue.

Oversight notes the above local political subdivision stated this proposal would have negative fiscal impact on their respective local subdivision of an indeterminate amount. Therefore, **Oversight** will note **B&P** and **DOR**'s estimates for impact to local political subdivisions on the fiscal note.

Oversight notes Arrowhead stadium is not configured for soccer and assume adjustments will need to be made regarding the width of the field to accommodate a FIFA match. **Oversight** is unsure if this will impact seating capacity. **Oversight** will range the fiscal impact per match from \$0 (Kansas City not selected) OR a range from \$105 per ticket to \$1,100 per ticket.

§260.295 – Regulating of Refrigerants

In response to similar legislation from this year, Perfected HB 2593, officials from the **City of Springfield**, the **City of O'Fallon** and the **City of St. Louis** each assumed the proposal will have

no 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 for this section.

In response to similar legislation from this year, Perfected HB 2593, officials from the **Department of Revenue** assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§§59.310, 92.720, 92.740, 92.750, 92.760, 92.765, 92.770, 92.775, 92.810, 92.815, 92.817, 92.825, 92.835, 92.840, 92.852, 92.855, & 442.130 – Certain Property Regulations

Officials from the **Office of Administration - Budget and Planning (B&P)** state §§59.310 & 442.130 require the marital status of all grantors be reflected on every document presented to the Recorder of Deeds and all parties conveying real estate. The changes to §§92.720 to 92.855 relate to the Municipal Land Reutilization Law for St. Louis City. B&P defers to the City of St. Louis for the fiscal impact of these provisions.

Officials from the **Department of Revenue (DOR)** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DOR for these sections.

In response to similar legislation from this year, Perfected HCS for HB 2218, officials from the **City of O’Fallon** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency for these sections.

Officials from the City of St. Louis and the St. Louis Metropolitan Police Department did not respond to **Oversight’s** request for fiscal impact for this proposal.

§67.2300 – Homelessness

Officials from the **Office of Administration - Budget and Planning (B&P)** state this section establishes policies to address homelessness using the existing resources of state government housing programs. B&P defers to DED on the fiscal impact of these provisions. This proposal states that no person shall be permitted to use state-owned lands for unauthorized sleeping, camping, or long-term shelters. Any violation of this subsection is a class C misdemeanor. It is unknown how many violations may occur annually under this statute or the fines that may be imposed per occurrence. Therefore, this proposal could increase TSR by an unknown amount beginning January 1, 2023 if any of those fees are deposited in the state treasury.

Officials from the **Department of Economic Development (DED)** assume §67.2300 creates a short-term housing construction program for the homeless to be funded from state funds. The DED is required to provide bonuses of up to ten percent for such programs that meet guidelines

as established by the DED. It also requires the DED to promulgate rules and regulations. The fiscal impact is unknown at this time.

However, DED will require one FTE (Economic Development Specialist) to administer the program.

SEQ CHAPTER \h \r 1 **Oversight** notes Section 67.2300. 4. notes “The department shall provide up to twenty-five percent of the base allocation of such funds as performance payments to political subdivisions or not-for-profit organizations providing such services as rewards for meeting predetermined goals on reductions of:

- (a) Days unhoused;
- (b) Days in jail or prison; and
- (c) Days hospitalized, with the weights of such days to be determined by the department.”

Additionally, 67.2300 1. (1), notes the term "Department", any department authorized to allocate funds raised by the state or federal funds received by the state for housing or homelessness.

Oversight notes the DED, Missouri Housing Development Commission, is currently responsible for issuing tax credits for Low Income Housing.

Oversight assumes DED’s request for additional FTE is probable, providing the Department must access and compile all necessary data from various institution within state and outside of the agency to ensure compliance within the proposal. Oversight does not have any information to the contrary. Therefore, **Oversight** will reflect DED’s estimated impact in the fiscal note.

Oversight notes the proposal states that any construction of short-term housing for the homeless that is funded using state funds, including parking areas, camping facilities, and shelters, shall comply with certain requirements as specified in the proposal.

Oversight notes that the Missouri Housing Trust Fund, currently maintains a grant program helping the homeless, or the near homeless population in the State. **Oversight** notes the Trust Fund provided disbursement as follows:

	2019	2020	2021
Housing Assistance	\$ 988,313	\$ 917,767	\$ 934,302
Emergency Assistance	\$ 1,069,520	\$ 1,097,248	\$1,206,525
Operating Funds	\$ 633,267	\$ 497,004	\$ 416,877
Total Funded By Regions			
	2019	2020	2021
North	\$ 543,830	\$ 521,745	\$ 516,558
Central	\$ 639,800	\$ 613,817	\$ 613,412
South	\$ 895,720	\$ 859,344	\$ 903,975
Kansas City	\$ 447,860	\$ 460,364	\$ 516,558
St. Louis	\$ 671,790	\$ 613,817	\$ 677,982
Total	\$ 3,199,000	\$ 3,069,087	\$3,228,485

Source: http://mhdc.com/housing_trust_fund/documents/FY2021/2021%20MHTF%20Funding%20Approvals.pdf

Oversight notes that the Missouri Housing Trust Fund distributes \$3.165M, on average, in grant funds annually to combat homelessness. Additionally, there are 40 to 45 non-profit companies receiving funds annually to assist the affected population.

Allocation Area of Grant Money	Distribution Percentage
St. Louis Metropolitan Area: Franklin, Jefferson, Lincoln, St. Charles, St. Louis City, St. Louis County, and Warren Counties	20%
South Region: Barry, Barton, Butler, Carter, Cedar, Christian, Dade, Dallas, Dent, Douglas, Dunklin, Greene, Hickory, Howell, Jasper, Laclede, Lawrence, McDonald, Mississippi, New Madrid, Newton, Oregon, Ozark, Pemiscot, Polk, Reynolds, Ripley, Scott, Shannon, Stoddard, Stone, Taney, Texas, Vernon, Wayne, Webster, and Wright Counties	28%
Kansas City Metropolitan Area: Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties	15%
Central Region: Audrain, Bates, Benton, Bollinger, Boone, Callaway, Camden, Cape Girardeau, Cole, Cooper, Crawford, Gasconade, Henry, Howard, Iron, Johnson, Madison, Maries, Miller, Moniteau, Montgomery, Morgan, Osage, Perry, Pettis, Phelps, Pulaski, Saline, St. Clair, St. Francois, Ste. Genevieve, and Washington Counties	20%
North Region: Adair, Andrew, Atchison, Buchanan, Carroll, Chariton, Clark, Daviess, DeKalb, Gentry, Grundy, Harrison, Holt, Knox, Lewis, Linn, Livingston, Macon, Marion, Mercer, Monroe, Nodaway, Pike, Putnam, Ralls, Randolph, Schuyler, Scotland, Shelby, Sullivan, and Worth Counties	17%

Oversight notes the above table provides a regional breakdown of the funds.

Oversight notes that DED currently does not provide any guidance or tax credit affecting the overall funding above. The proposal suggests a new program funded by State or Federal moneys that are not currently associated with any particular funding of any agency in Missouri.

For informational purposes, **Oversight** will show the United States Interagency on Homelessness (USICH) statistics of the Missouri homeless population in 2016-2019 period as shown below in the Table 1:

Table 1. Homeless statistics

Homeless Statistics Missouri State	2017	2018	2019	3 Year Average
Total Homeless Population	6,037	5,883	6,179	6,033
Total Family Households Experiencing Homelessness	765	706	707	726
Veterans	538	507	488	511
Chronic Homeless Persons	1,087	1,043	1,062	1,064
Total # of Homeless Students	32,133	36,006	34,029	34,056
Total # of Unaccompanied Students	3,944	4,254	4,241	4,146
Nighttime Residence - Unsheltered	578	611	643	611
Nighttime Residence - Hotels/motels	2,021	2,409	1,921	2,117

Source: [https://www.usich.gov/homelessness-statistics/mo/#:~:text=As%20of%20January%202020%2C%20Missouri,and%20Urban%20Development%20\(HUD\)](https://www.usich.gov/homelessness-statistics/mo/#:~:text=As%20of%20January%202020%2C%20Missouri,and%20Urban%20Development%20(HUD))

Oversight notes that Table 1 shows there are on average 1,064 chronically homeless persons and 34,056 homeless students at any given time throughout the 2017-2019 period and prior to the 2020 Census. The proposal allows for individuals experiencing homelessness access to Missouri campgrounds and their respective facilities.

Oversight notes according to the Department of Natural Resources website, [Missouri State Parks](#), there are 39 State Parks throughout Missouri which have running water, showers, bathroom, and access to electricity and, therefore, possibly able to support the homeless. The proposal also allows for such an individual to use the sites for a maximum of six months at a time and excludes the owners, or people who maintain the sites, from various regulations.

Oversight notes the CCS removes the requirement where DED is not allowed to disburse any funds to local political subdivisions or non-profit companies constructing any short-term housing that costs more than fifty-five thousand dollars per bed to construct, excluding the price of land, or that costs more than twenty thousand dollars a year to maintain at a basic level of habitability.

Oversight notes there are currently an estimated 1,064 chronic homeless persons, on average, in any given year in need of sustainable and habitable housing. By taking the population and multiplying it by the allowable maximum level of funding of previous versions of the bill (\$55,000) to construct such a housing, DED would need \$58.52M to construct temporary housing just for the chronic homeless population. However, the CCS removes the \$55,000 cap; therefore, the cost could be higher just to house the chronically homeless. Consequently, **Oversight** will note an Unknown negative cost to General Revenue.

In response to similar legislation from this year, HCS for HB 2614, officials from the **City of O'Fallon** assumed the proposal will have no fiscal impact on their organization. **Oversight** does

not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note.

This section has a delayed effective date of January 1, 2023.

§70.631 – Public Safety Personnel

Officials from the **Office of Administration - Budget and Planning (B&P)** state this provision removes the demographic subsection language limiting this section's provisions to third class counties and Cape Girardeau County. By removal of the demographic limitation, all political subdivisions may cover public safety job classes in the retirement system. B&P defers to the retirement systems for the fiscal impact of this provision.

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** assume the proposal has no direct fiscal impact to the Joint Committee on Public Employee Retirement. The JCPER's review of this legislation indicates it would not affect retirement plan benefits as defined in Section 105.660(9).

Current Status of the LAGERS as of February 28, 2021 (most recent actuarial valuation):

Number of participating employers as of February 28, 2021: 801

Active Members:

General: 25,974

Police: 6,591

Fire: 2,715

Public Safety: 100

Total Actives: 35,380

Inactive Members: 16,413

Total membership: 51,793

		Funded Ratio
Market Value of Assets:	\$9,246,453,190	100.7%
Actuarial Value of Assets:	\$8,777,019,738	95.6%
Liabilities:	\$9,182,065,489	

Oversight notes this proposal removes language that limits the provisions in section 70.631 to specific local political subdivisions.

Oversight notes the minimum retirement age for general employees is 60 years of age. Oversight assumes this proposal lowers the minimum retirement age to 55 years of age for certain employees defined as public safety personnel. Oversight assumes there could be an increase in employer contributions for local political subdivisions for employees they elect to cover under the retirement system as public safety personnel who retire at the age of 55 instead of 60.

Oversight notes each individual employer electing to add certain employees as public safety personnel would have an actuarial cost statement done to determine if the change would require an increase in the employers' contribution rate.

Oversight notes the limitation on increases in employer contribution rates does not appear to apply to any contribution increase resulting from this proposal. Additionally, Oversight notes the board can set different rates of contributions employers having policeman members or having fireman members (70.730.4, RSMo). Oversight is uncertain if "public safety personnel" would qualify as policeman members or fireman members which would allow for a different contribution rate than general employees.

Oversight will show a range of \$0 (no local political subdivisions elect to cover additional employees as public safety personnel) to an unknown cost to local political subdivisions if an increase in employer contributions were needed. Oversight assumes this proposal is discretionary and would have no fiscal impact without action by the governing body.

§§140.170 & 140.190 – Public Auctions by Electronic Media

Officials from the **Office of Administration - Budget and Planning (B&P)** state these provisions allow the county collector to conduct public auctions by electronic media, including the internet. B&P defers to the counties for the fiscal impact of these provisions.

Oversight assumes County Collectors would exercise the option to conduct auctions by electronic media only if the option would be to the economic benefit of the office.

§523.061 – Condemnation Proceedings

Officials from the **Missouri Department of Transportation (MoDOT)** note §523.061 would apply only if the plaintiff is a city, town, or village. MoDOT condemns few properties likely to be considered abandoned. Therefore, MoDOT assumes a minimal impact from this proposal. (**Oversight** notes that earlier versions of this section would have applied to almost all properties subject to heritage value and that MoDOT estimated significant possible savings to the State Road Fund.)

Officials from the **Office of Administration - Budget and Planning (B&P)** state the provision addresses condemnation property actions involving homestead taking and heritage value determination by the circuit court. B&P defers to local governments on the fiscal impact.

Oversight assumes this could result in savings to cities and/or counties involved in condemnation proceedings.

In response to similar legislation from this year, HCS for HB 2443, officials from the **City of Springfield** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency for this section.

§1 – Property Conveyance for City of Kirksville to Kirksville R-III School District

Officials from the **Office of Administration - Budget and Planning (B&P)** state this provision adds land conveyances in Kirksville, Adair County. B&P defers to OA on the fiscal impact of these sections.

Officials from the **Office of Administration, Division of Facilities Management, Design and Construction (FMDC)** state they do not make public information about the value of property that may be sold or conveyed in order to ensure that the state receives the best value for the property. Moreover, the fiscal impact of these conveyances will depend upon the terms negotiated by the parties. Therefore, the fiscal impact is \$0 to unknown.

Officials from the City of Kirksville did not respond to Oversight's request for fiscal impact.

As this parcel appears to be material in size (square city block contained by West Scott Street, West Fillmore Street, South Main Street and South Elson Street; which currently contains the Missouri National Guard Armory building), **Oversight** will reflect the transaction of the conveyance of state property in Adair County to the Kirksville R-III school district as 1) a loss of the value of the state property, 2) the proceeds (if any) of the sale/conveyance, and 3) the annual savings (if any) to the state no longer maintaining the property. Oversight will assume a fiscal impact of less than \$250,000.

§2 – Property Conveyance for City of Kirksville to Truman State University

Officials from the **Office of Administration - Budget and Planning (B&P)** state this provision adds land conveyances in Kirksville, Adair County. B&P defers to OA on the fiscal impact of these sections.

Officials from the **Office of Administration, Division of Facilities Management, Design and Construction (FMDC)** state they do not make public information about the value of property that may be sold or conveyed in order to ensure that the state receives the best value for the

property. Moreover, the fiscal impact of these conveyances will depend upon the terms negotiated by the parties. Therefore, the fiscal impact is \$0 to unknown.

Officials from Truman State University did not respond to **Oversight's** request for fiscal impact.

§§3, 4, 5 – Property Conveyance for City of Rolla to Edgewood Investments, the City of St. Louis and St. Louis County

Officials from the Office of Administration - Budget and Planning (B&P) state these provisions add land conveyances in Rolla, Phelps County, St. Louis City, and St. Louis County. B&P defers to OA on the fiscal impact of these sections.

Officials from the **Office of Administration, Division of Facilities Management, Design and Construction (FMDC)** state they do not make public information about the value of property that may be sold or conveyed in order to ensure that the state receives the best value for the property. Moreover, the fiscal impact of these conveyances will depend upon the terms negotiated by the parties. Therefore, the fiscal impact is \$0 to unknown.

Oversight is unclear how the sections in this amendment will impact state and local governments but assumes there will be a similar impact as stated in §1 & §2 above. Therefore, Oversight will reflect a similar fiscal impact to what was stated in §1 & §2 above.

§6 – COVID-19 Vaccinations

Officials from the **Office of Administration - Budget and Planning (B&P)** state this provision prohibits political subdivisions from requiring a COVID-19 vaccination as a condition of commencing or continuing employment. B&P defers to local governments on the fiscal impact.

SEQ CHAPTER \h \r 1 **Oversight** assumes this section will have no fiscal impact on state or local government.

Bill as a Whole

SEQ CHAPTER \h \r 1 Officials from the **Attorney General's Office (AGO)** assume that any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. The AGO may seek additional appropriations if there is a significant increase in litigation.

Officials from the **Department of Corrections, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Natural Resources, the Department of Labor and Industrial Relations, the Department of Public Safety (Fire Safety, Office of the Director, Missouri National Guard, Missouri Highway Patrol, State Emergency Management Agency, Missouri Veterans Commission), the Department of Social Services, the Missouri Ethics Commission,**

the **Missouri Department of Transportation**, the **Office of the State Public Defender**, the **University of Missouri Systems**, the **City of Claycomo**, the **St. Louis County Board of Elections**, the **Kansas City Health Department**, the **Newton County Health Department**, the **St. Louis County Health Department**, the **Phelps County Sheriff's Office**, the **St. Joseph Police Department**, the **St. Louis County Police Department**, the **Crawford County 911 Board**, the **Metropolitan St. Louis Sewer District**, the **South River Drainage District**, the **Wayne County PWSD #2**, the **University of Central Missouri**, the **Office of the Governor**, the **Department of Commerce and Insurance**, the **Missouri Department of Conservation**, the **Office of the State Courts Administrator**, the **Office of the State Auditor**, the **State Tax Commission**, the **Joint Committee on Administrative Rules**, **Department of Health and Senior Services** and the **Missouri Office of Prosecution Services** each assume the proposal will have no fiscal impact on their organizations.

In response to previous versions, officials from the **Kansas City Board of Elections**, the **Platte County Board of Elections**, the **Camden County Auditor's Office**, the **Cole Camp Ambulance District**, the **Lake West Ambulance District** and the **Viburnum Water/Wastewater** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Office of the Secretary of State (SOS)** note 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 \$5,000. 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 its 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.

Oversight does not have any information to the contrary in §58.200. Should the sheriff's position become vacant and the county coroner becomes acting sheriff until the position is filled, the salary of the coroner should be increased by the difference between the sheriff's salary and the coroner's salary. **Oversight** assumes this would occur on an infrequent basis and would have a minimal fiscal impact on counties. Therefore, **Oversight** will reflect a zero impact in the fiscal note for this section.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, counties, county recorders, auditors, collectors, treasurers, public administrators and sheriffs were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025	Fully Implemented (FY 2026)
GENERAL REVENUE				
Costs – DOR (§§67.457, 67.461, 67.1431, 99.825, 99.830, 99.865, 238.212 & 238.222) p. 15				Could Exceed
Personal Service	(\$29,008)	(\$35,505)	(\$36,215)	(\$36,215)
Fringe Benefits	(\$22,054)	(\$26,698)	(\$26,936)	(\$26,936)
Equipment and Expense	(\$9,711)	(\$491)	(\$503)	(\$503)
<u>Total Costs – DOR</u>	<u>(\$60,773)</u>	<u>(\$62,694)</u>	<u>(\$63,654)</u>	<u>(\$63,654)</u>
FTE Change - DOR	1 FTE	1 FTE	1 FTE	1 FTE
<u>Loss – DOR – 2% of collection fee on future potential fines no longer assessed because LPS no longer required to file due to changes in the bill (§105.145) p 9-14</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Loss – DOR – 2% collection fee that may have been collected if not for the one-time decrease of 90% of the outstanding balance from the local political subdivision if they submit a timely financial statement by 1/01/23 (§105.145) p. 9-14</u>	\$0 or up to (\$1,834,605)	\$0	\$0	\$0
<u>Sale Proceeds – conveyance proceeds of properties (if any) §§1,2,3,4,5 p. 26-27</u>	\$0 or Unknown	\$0	\$0	\$0
<u>Property value – loss of FMV of properties §§1,2,3,4,5 p. 26-27</u>	(Unknown)	\$0	\$0	\$0
<u>Savings – for annual maintenance / upkeep of properties §§1,2,3,4,5 p. 26-27</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

Revenue loss - § 144.051 exemption of sales tax for FIFA World Cup Admission p. 17-19	\$0	\$0	\$0	\$0 or (\$240,710) to (\$2,521,728)
Cost – DED – §67.2300 Homeless Program Implementation p. 20-24				Could Exceed
Salary	(\$43,118)	(\$52,776)	(\$53,831)	(\$53,831)
Fringe Benefits	(\$26,784)	(\$32,487)	(\$32,841)	(\$32,841)
Equipment & Expense	(\$14,730)	(\$5,708)	(\$5,822)	(\$5,822)
Total Cost - DED	(\$84,632)	(\$90,971)	(\$92,495)	(\$92,495)
FTE change - DED	1 FTE	1 FTE	1 FTE	1 FTE
Cost – DED – §67.2300 Homeless Program p. 20-24	(Unknown)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown, could exceed \$1,980,010)</u>	<u>(Unknown, could exceed \$153,665)</u>	<u>(Unknown, could exceed \$156,149)</u>	<u>(Unknown, could exceed \$396,859 to \$2,677,877)</u>
Estimated Net FTE Change to the General Revenue Fund	2 FTE	2 FTE	2 FTE	2 FTE
PARK, SOIL, WATER FUNDS (0614)				
Revenue loss - § 144.051 exemption of sales tax for FIFA World Cup Admission p. 17-19	\$0	\$0	\$0	\$0 or (\$8,024) to (\$84,058)
ESTIMATED NET EFFECT ON PARK, SOIL AND WATER FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (\$8,024) to (\$84,058)</u>
CONSERVATION COMMISSION FUNDS (0609)				
Revenue loss - § 144.051 exemption of sales tax for FIFA World Cup Admission p. 17-19	\$0	\$0	\$0	\$0 or (\$10,030) to (\$105,072)

ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (\$10,030) to (\$105,072)</u>
SCHOOL DISTRICT TRUST FUND (0688)				
<u>Revenue loss</u> - §144.051 exemption of sales tax for FIFA World Cup Admission p. 17-19	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (\$80,237) to (\$840,576)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (\$80,237) to (\$840,576)</u>
TRUMAN STATE UNIVERSITY				
<u>Cost</u> - of acquiring the property from the state (§2) p. 26-27	<u>\$0 or (Unknown)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Property increase</u> – acquired property’s value (§2) p. 26-27	<u>Unknown</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO TRUMAN STATE UNIVERSITY	<u>Unknown to (Unknown)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025	Fully Implemented (FY 2026)
LOCAL POLITICAL SUBDIVISIONS				
<u>Savings</u> – in publication costs on financials posted in a newspaper of general circulation (§§50.815 & 50.820) p. 7	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> – potential salary increases for county coroners (§§50.327 & 58.095) p. 4	\$0 or up to (\$1,526,000)			
<u>Costs</u> – adjustment on base schedules for county officials (§50.327.4) p. 6	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Savings</u> – on potential fines for certain LPS (§105.145) p. 9-14	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Savings</u> –potential cost savings to property that no longer qualifies as an exception for heritage value (§523.061) p. 26	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> – School districts receiving less fine revenue (from savings above) (§105.145) p. 9-14	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Savings</u> – on fine revenue that is reduced with a one-time reduction of 90% on the outstanding balance due if they submit a timely financial statement by 1/1/23 (§105.145) p. 9-14	\$0 or up to \$91,730,241	\$0	\$0	\$0
<u>Loss</u> – School Districts – reduction in fine revenue from		\$0	\$0	\$0

one-time adjustment of fine revenue (§105.145) p. 9-14	\$0 or up to (\$89,895,636)			
<u>Costs</u> – Boone County Sheriff – potential increase in salary. §57.317 p. 17	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – Kirksville R-III School District -of acquiring the property from the state (§1) p. 26-27	\$0 or (Unknown)	\$0	\$0	\$0
<u>Property increase</u> – Kirksville R-III School District - acquired property’s value (§1) p. 26-27	Unknown	\$0	\$0	\$0
<u>Revenue loss</u> - § 144.051 exemption of sales tax for FIFA World Cup Admission p. 17-19	\$0	\$0	\$0	\$0 or (\$371,095) to (\$3,887,664)
<u>Cost</u> – potential increase in employer contribution rates for employers who elect to cover certain positions as public safety personnel - §70.631 p.25	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – Potential salary increases for public administrators (§473.742) p.8	\$0 to (Could exceed \$963,846)	\$0 to (Could exceed \$1,927,692)	\$0 to (Could exceed \$1,927,692)	\$0 to (Could exceed \$1,927,692)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown, could exceed \$555,241)</u>	<u>(Unknown, could exceed \$3,353,692)</u>	<u>(Unknown, could exceed \$3,353,692)</u>	<u>(Unknown, could exceed \$3,724,787 to \$7,241,356)</u>

FISCAL IMPACT – Small Business

Various sections of this proposal could impact small businesses.

FISCAL DESCRIPTION

This proposal modifies provisions relating to local political subdivisions.

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

Office of the State Auditor

Boone County

Greene County

Henry County

Lincoln County

Livingston County

Office of the State Courts Administrator

Department of Commerce and Insurance

Christian County Auditor's Office

Clinton County

City of St. Louis

Department of Economic Development

Department of Social Services

State Tax Commission

Phelps County Sheriff's Department

Department of Revenue

Office of Administration

 Budget and Planning

 FMDC

Attorney General's Office

Department of Elementary and Secondary Education

Department of Higher Education and Workforce Development

Department of Mental Health

Department of Public Safety

 Fire Safety

 Office of the Director

 Missouri National Guard

 Missouri Highway Patrol

 State Emergency Management Agency

 Missouri Veterans Commission

Missouri Ethics Commission

Missouri Department of Transportation

Office of the Governor

Department of Health and Senior Services

Department of Natural Resources

Joint Committee on Administrative Rules

Missouri Department of Conservation

Department of Labor and Industrial Relations
Office of the Secretary of State
Department of Corrections
Missouri Office of Prosecution Services
Office of the State Public Defender
Joint Committee on Public Employee Retirement
Newton County Health Department
St. Louis County Health Department
Platte County Board of Elections
St. Louis County Board of Elections
City of Corder
City of Hughesville
City of O'Fallon
City of Claycomo
Kansas City
City of Springfield
Kansas City Police Department
Kansas City Board of Elections
St. Joseph Police Department
Gordon Parks Elementary School
University of Missouri System
Hermann Area Hospital District
University of Central Missouri
St. Louis County Police Department
Metropolitan St. Louis Sewer District
Cole Camp Ambulance District
Crawford County 911 Board
Lake West Ambulance District
South River Drainage District
Viburnum Water/Wastewater
Clay County Auditor's Office
Kansas City Health Department
Camden County Auditor's Office
Wayne County PWSD #2



Julie Morff
Director
June 3, 2022



Ross Strobe
Assistant Director
June 3, 2022