

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3506S.08C
 Bill No.: SCS for HCS for HB 1564
 Subject: Political Subdivisions; Taxation and Revenue - General; Counties; Cities, Towns, and Villages; County Officials; County Government; Hospitals; Taxation and Revenue - Property; Alcohol
 Type: Original
 Date: May 6, 2024

Bill Summary: This proposal modifies provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	\$0 or up to (\$3,566,587)	\$0 or up to (\$461,565)	\$0 or up to (\$430,218)
Total Estimated Net Effect on General Revenue	\$0 or up to (\$3,566,587)	\$0 or up to (\$461,565)	\$0 or up to (\$430,218)

*Part of the fiscal impact to the state is the potential loss of the Department of Revenue’s 2% collection fee (§105.145). 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 \$3,013,881 (which represents if DOR would have collected 100% of the \$150 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.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- 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 2025	FY 2026	FY 2027
Local Government	\$0 or unknown, greater than or less than \$700,945	\$0 or unknown, greater than or less than \$9,567,248	\$0 or unknown, greater than or less than \$15,444,006

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§§50.327, 58.095, & 58.200 – Compensation for County Coroners and Salary Schedules for 3rd Class Counties

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 §50.327.4 relates to the following 3rd class counties and their assessed valuations as of the 2023 tax year that are greater than the three hundred million dollars:

	County Classification	2023 Assessed Valuation
Adair	3	\$430,848,859
Andrew	3	\$339,770,981
Audrain	3	\$469,417,268
Barry	3	\$647,404,235
Benton	3	\$358,900,749
Butler	3	\$754,673,711
Clinton	3	\$393,171,330
Cooper	3	\$323,118,781
Crawford	3	\$389,033,489
Dunklin	3	\$338,242,680

Henry	3	\$503,243,895
Howell	3	\$596,934,551
Laclede	3	\$541,690,914
Lawrence	3	\$619,508,496
Marion	3	\$560,698,298
McDonald	3	\$330,042,191
Miller	3	\$540,605,203
Morgan	3	\$616,547,314
New Madrid	3	\$500,801,647
Nodaway	3	\$433,445,925
Perry	3	\$446,985,233
Phelps	3	\$739,087,980
Pike	3	\$361,352,206
Polk	3	\$451,741,017
Pulaski	3	\$594,635,413
Randolph	3	\$569,115,893
Ray	3	\$446,169,890
Scott	3	\$592,176,131
Ste. Genevieve	3	\$979,919,236
Stoddard	3	\$610,422,073
Stone	3	\$846,550,738
Texas	3	\$312,859,406
Vernon	3	\$312,160,164
Warren	3	\$778,812,601
Washington	3	\$323,351,401
Webster	3	\$584,282,278

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:

Section		Base Salary at \$300,000,000 Assessed Valuation
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
54.32	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.

Sections 50.815 & 50.820 - County Financial Statements

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.

Section 55.160 – County Auditors

In response to a similar proposal this year HCS for HB 2348, officials from the **Christian County Auditor’s Office** and the **Clay County Auditor’s Office** 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 this section.

Section 57.317 - Sheriff Salaries – Boone County

Oversight notes county commissions were asked to respond to Oversight’s request for fiscal impact, but did not provide any information. Oversight notes this section’s changes pertains to the Boone County Sheriff’s salary. Oversight assumes this does not place a limitation on the salary of the Boone County Sheriff and, therefore, there could be a potential increase from the 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.

Section 64.231 - County Planning Board Hearings

Oversight assumes this proposal modifies the section requiring notices of county planning board hearings be posted on the county’s website and repeals the notices to be posted at least 15 days in advance of the hearing in at least two places in each township. Oversight assumes this modification to the section will have no fiscal impact on this proposal.

Section 67.597 - Bates County Sales Tax for Operation of Hospital

Officials from the **Department of Revenue (DOR)** note this proposal allows Bates County to take to the vote of the people the issue of creating a sales tax to fund the operation of a hospital. The tax allowed by this proposal shall not exceed one percent. The Department of Revenue (DOR) is to collect and distribute the sales tax per this proposal and shall retain 1% for collection expenses. DOR records show that the taxable sales for the Bates County for the last five years have been.

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$24,923,365	\$28,164,526	\$26,530,672	\$27,725,812	\$107,344,375
2018	\$24,979,649	\$28,903,521	\$29,961,356	\$36,577,510	\$120,422,036
2019	\$25,235,914	\$30,043,861	\$29,343,069	\$28,680,665	\$113,303,509
2020	\$26,791,279	\$32,257,135	\$30,899,825	\$30,899,634	\$120,847,873

2021	\$28,663,803	\$33,572,928	\$35,825,842	\$34,105,961	\$132,168,534
2022	\$29,179,422	\$35,282,545	\$34,385,717	\$34,875,364	\$133,723,048

DOR notes that this proposal would become effective on August 28, 2024, and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months. This will result in the following impact to DOR and the County.

Bates County	1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$0	\$0
2026 * (8 months)	\$9,698	\$960,116
2027	\$14,838	\$1,468,978

*Effective Date 8/28/2024

Should the district pass the sales tax and notify the Department DOR will need to upgrade the following computer systems; Revenue Premier, MyTax, Rate Manager and the Avalara sales and use tax map as well as notify the vendors in the area about the tax. This is estimated to cost \$10,000.

Oversight assumes the Department of Revenue 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.

Oversight will range the fiscal impact from \$0 (not approved by voters) up to the estimates calculated by the Department of Revenue for the fiscal impact to general revenue and local political subdivisions. Oversight notes the tax rate shall not exceed one percent; therefore, Oversight will reflect “up to” the 1% sales tax estimates.

Sections 67.782, 67.783, & 67.785 Recreation Tax - Recreational Districts

Officials from the **Department of Revenue (DOR)** note this legislation previously stated any county of the third class having a population of more than ten thousand and less than fifteen thousand and any county of the second class having a population of more than fifty-eight thousand and less than seventy thousand adjacent to such third-class county, both counties making up the same judicial circuit, could jointly impose a sales tax for public recreational purposes.

This proposal changes the definition to any county with more than nine thousand but fewer than eleven thousand inhabitants with a county seat with more than one thousand but fewer than one thousand five hundred inhabitants and any county with more than eighty thousand but fewer than one hundred thousand inhabitants and with a county seat with more than thirteen thousand but fewer than seventeen thousand inhabitants can impose a sales tax for public recreational purposes. DOR believes that Bollinger County and Cape Girardeau County are the ones allowed the sales tax.

Both Bollinger County and Cape Girardeau County are allowed to adopt this tax by a vote of their people. This is a 1% sales tax. DOR notes that the department is allowed to retain 1% of all sales tax collected for reimbursement of expenses.

BOLLINGER COUNTY

DOR records show that Bollinger County has taxable sales of :

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	12,283,021	12,270,147	11,903,277	11,684,252	48,140,697
2018	14,165,368	12,592,268	12,629,610	12,969,344	52,356,591
2019	12,689,105	12,581,666	13,111,609	12,602,523	50,984,903
2020	12,560,145	13,495,033	13,446,427	13,405,149	52,906,754
2021	13,166,999	12,967,346	13,099,439	22,843,063	62,076,848
2022	13,657,520	14,342,136	14,986,689	22,478,730	65,465,075

Sales Tax only

The Department notes this proposal allows a one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount that Bollinger County would collect, and the fee retained by DOR as:

Bollinger County	1% Tax	
	DOR 1% Fee	Local Collection
2025	\$5,752	\$569,408
2026	\$5,867	\$580,796
2027	\$5,984	\$592,412

DOR notes that this proposal would become effective on August 28, 2024, and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months.

Bollinger County	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$0	\$0
2026	\$1,955	\$193,599
2027	\$2,992	\$296,206

*Effective Date 8/28/2024

CAPE GIRARDEAU COUNTY

DOR records indicate that Cape Girardeau County had taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$317,321,199	\$338,602,549	\$333,329,400	\$354,698,971	\$1,343,952,118
2018	\$326,759,327	\$342,411,413	\$344,721,208	\$359,599,262	\$1,373,491,210
2019	\$317,004,837	\$335,854,295	\$333,604,637	\$367,409,389	\$1,353,873,159
2020	\$318,049,761	\$346,574,051	\$359,218,109	\$378,945,058	\$1,402,786,979
2021	\$336,220,767	\$395,229,867	\$397,370,936	\$438,791,884	\$1,567,613,454
2022	\$379,093,259	\$422,916,961	\$450,150,408	\$457,241,987	\$1,709,402,615

The Department notes this proposal allows a one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount that Cape Girardeau County would collect, and the fee retained by DOR as:

Cape Girardeau County	1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$173,844	\$17,210,579
2026	\$177,321	\$17,554,791
2027	\$180,868	\$17,905,887

DOR notes that this proposal would become effective on August 28, 2024, and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months.

Cape Girardeau County	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$0	\$0
2026	\$59,107	\$5,851,597
2027	\$90,434	\$8,952,943

*Effective Date 8/28/2024

This is not expected to have an administrative impact on the Department.

Oversight notes this proposal states that Bollinger and Cape Girardeau counties do not have to act jointly to impose a recreational sales tax. If enacted, this bill will initially only apply to Bollinger and Cape Girardeau counties. If approved by voters, an additional 1% tax could generate roughly \$570,000 in Bollinger County and \$17.2 million in Cape Girardeau County.

Section 67.1003 - Cottleville & Weldon Springs Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this provision adds the city of Cottleville (67.1003.6(b)) & Weldon Springs (67.1003.6(a)) to the list of cities eligible to take to the voters of their city to see if they want a transient guest tax. Transient guest taxes are handled by the local political subdivision and not DOR. Therefore, this does not fiscally impact DOR.

Oversight assumes this proposal authorizes the Cities of Cottleville and the City of Weldon Spring, upon voter approval, to enact a transient guest tax of not more than 5% per occupied room per night for tourism purposes. Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approval by the majority of voters. If the majority of voters approve this issue on the ballot, then there would be potential tax revenue for the City of Cottleville and/or the City of Weldon Spring. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact to the City of Cottleville and the City of Weldon Spring for this provision.

Section 67.1009 - Knob Noster Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this adds the city of Knob Noster to the list of cities eligible to take to the voters of their city to see if they want a transient guest tax. Additionally, it allows all cities listed under Section 67.1009 to have a transient sales tax up to 6%. Transient guest taxes are handled by the local political subdivision and not DOR. Therefore, this does not fiscally impact DOR.

Oversight notes this section permits certain cities the ability to vote in a transient guest tax for promotion of the city. **Oversight** assumes the proposal permits the City of Knob Noster (Subdivision 3) to impose a transient guest tax, upon voter approval, of not more than 6% per occupied room, per night. The transient guest tax on the City of Knob Noster would be used for the promotion of tourism, economic development and the retention and growth of Whiteman Air

Force Base. Therefore, **Oversight** will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to Knob Noster for this proposal. Oversight does not have enough information regarding sleeping rooms in Knob Noster to provide an estimate.

Section 67.1013 - City of Harrisonville & City of Jackson Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this provision allows the City of Harrisonville and the City of Jackson to take to the voters of their city to see if they want a transient guest tax. Transient guest taxes are handled by the local political subdivision and not DOR. Therefore, this does not fiscally impact DOR.

Oversight notes this provision permits certain cities the ability to vote in a transient guest tax for promotion of the city.

Oversight assumes the proposal permits the city of Harrisonville and the City of Jackson to impose a transient guest tax, upon voter approval, of not more than 6% per occupied room, per night. The transient guest tax would be used for the promotion of tourism.

Oversight does not have information regarding the number of sleeping rooms, occupancy rates and charges. Therefore, **Oversight** will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to each the City of Harrisonville and the City of Jackson for this proposal.

Section 67.1018 - New Madrid County Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this provision allows the New Madrid County to take to the voters of their county to see if they want a transient guest tax. Transient guest taxes are handled by the local political subdivision and not DOR. Therefore, this does not fiscally impact DOR.

Oversight assumes this proposal permits New Madrid County (Subdivision 2) the ability to vote on a transient guest tax (of not more than 5% per occupied room, per night) for the purposes of law enforcement and tourism. Oversight notes New Madrid County is not currently on-boarded with Oversight to receive legislation for response. The transient guest tax for New Madrid County would be used by the county with 50% of the proceeds to fund law enforcement and the remaining 50% of the proceeds to fund the promotion of tourism. Oversight does not have enough information regarding sleeping rooms in New Madrid County to provide an estimate of the additional revenue (if approved). Therefore, Oversight will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to New Madrid County for this proposal.

Section 67.1360 - City of Richmond Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this provision allows the City of Richmond to take to the voters of their city to see if they want a transient guest tax. Transient guest taxes are handled by the local political subdivision and not DOR. Therefore, this does not fiscally impact DOR.

Oversight notes this section (Subdivision 38) permits the City of Richmond the ability to vote in a transient guest tax (of not less than 2% and not more than 5% per occupied room, per night) for funding the promotion of tourism. The transient guest tax may be charged on hotels, motels, bed and breakfast inns, and campgrounds and any docking facility that rents slips to recreational boats. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to the City of Richmond for this proposal. Oversight does not have enough information regarding sleeping rooms in the City of Richmond to provide an estimate.

Section 67.1366 - Small cities transient guest tax

Officials from the **Department of Revenue (DOR)** note under Section 67.1366, a city with a population of more than 100,000 can adopt a transient guest tax by a vote of their citizens. The tax currently can be used for the promotion, operation and development of tourism. This proposal would expand the use of the tax to include paying for the operating costs of a community center.

Section 67.1366 allows a city to contract with DOR to collect this tax. DOR records indicate that the department does not collect this tax for any city. Therefore, DOR assumes this will not fiscally impact DOR.

Officials from the **Department of Revenue** assume the provision 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.

Section 67.1367.2(1)(b) - Ste. Genevieve County Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this provision allows Ste. Genevieve County to take to the voters of their county to see if they want a transient guest tax. Transient guest taxes are handled by the local political subdivision and not DOR. Therefore, this does not fiscally impact DOR.

Oversight assumes this proposal authorizes Ste. Genevieve County upon voter approval, to enact a transient guest tax of not more than 6% per occupied room at hotels, motels, bed and breakfast inns or campground cabins per night for tourism purposes. Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approval by the majority of voters. If the majority of voters approve this issue on the ballot,

then there would be potential tax revenue for Ste. Genevieve County. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact for this proposal.

Section 67.1367.2.(1)(a) - Perry County Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this provision allows Perry County to take to the voters of their county to see if they want a transient guest tax. Transient guest taxes are handled by the local political subdivision and not DOR. Therefore, this does not fiscally impact DOR.

Oversight assumes this proposal authorizes Perry County, upon voter approval, to enact a transient guest tax of not more than 6% per occupied room at hotels, motels, bed and breakfast inns or campground cabins per night for tourism purposes. Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approval by the majority of voters. If the majority of voters approve this issue on the ballot, then there would be potential tax revenue for Perry County. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact for this proposal.

Section 67.2500 - Camden County Entertainment District

Officials from the **Department of Revenue (DOR)** note this adds Camden County to the list of counties that can establish a Theater, Cultural Arts and Entertainment District. This allows the County to have an election to see if their residents will support an additional one-half of one percent sales tax for funding a theater or cultural arts center. Should the citizens reject this additional tax, it will not have a fiscal impact.

Should the citizens approve of the tax, it should be noted that DOR is not involved in the collection of this sales tax. This is a local tax and the local political subdivision is responsible for the collection and administration of this tax. Therefore, this will not fiscally impact DOR. DOR defers to the county for an estimate of the amount of tax they may collect.

Oversight notes this proposal allows a theater, cultural arts and entertainment district to be established in the counties of Camden, Morgan and Miller. Oversight tried to send a request for response to these counties, however these counties are currently not on-boarded to receive any legislation for this year. Oversight assumes this proposal would have no direct fiscal impact without action from the governing body of the counties. Therefore, Oversight will reflect a \$0 fiscal impact for this proposal.

Section 79.235 - Residency Requirements of a City of the Fourth Classification

Oversight notes this proposal allows the mayor of a 4th class city with no more than 2,000 inhabitants to appoint a member to a local board or commission if the prospective appointee owns real property, a business in the city or manages a municipal utility of the city. Oversight assumes the proposal will not have a direct fiscal impact.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, several 4th class cities 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.

Section 94.838 Village of Lamar Heights

Officials from the **Department of Revenue (DOR)** note this proposal allows the Village of Lamar Heights to change their 2% local sales tax from being allowed for construction, maintenance and operation of capital improvements to being allowed to also use it for emergency services and public safety. DOR notes the Village of Lamar Heights will continue with their 2% sales tax and therefore this will not have a fiscal impact.

Officials from the **Department of Revenue** assume the provision 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.

Section 94.900 - Public Safety Sales Tax

Officials from the **Department of Revenue (DOR)** note this proposal in Section 1.(1)(n) allows a city with more than fifty-one thousand but fewer than fifty-eight thousand inhabitants and located in more than one county to adopt a sales tax for the purpose of funding public safety. DOR believes this is Joplin.

Joplin

DOR records show that Joplin has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$319,246,476	\$343,129,993	\$344,923,713	\$363,527,520	\$1,370,827,701
2018	\$334,173,317	\$356,019,672	\$354,536,020	\$377,480,862	\$1,422,209,870
2019	\$342,626,835	\$362,955,312	\$364,074,798	\$388,757,496	\$1,458,414,440
2020	\$333,332,341	\$350,430,677	\$379,642,024	\$411,620,125	\$1,475,025,167
2021	\$397,523,397	\$434,444,664	\$400,127,308	\$427,402,675	\$1,659,498,045
2022	\$384,224,088	\$430,650,071	\$436,430,186	\$447,415,995	\$1,698,720,341
2023	\$394,594,224	\$440,075,051	\$421,387,816		

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Joplin would collect, and the fee retained by DOR as:

Joplin	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2025	\$43,573	\$4,313,758	\$87,147	\$8,627,515
2026	\$44,445	\$4,400,033	\$88,890	\$8,800,066
2027	\$45,334	\$4,488,034	\$90,667	\$8,976,067

DOR notes that this proposal would become effective on August 28, 2024, and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months.

Joplin	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$0	\$0
2026 * (8 months)	\$59,260	\$5,866,711
2027	\$90,667	\$8,976,067

*Effective Date 8/28/2024

This proposal in Section 1.(1)(o) allows a city with more than sixteen thousand but fewer than eighteen thousand inhabitants and located in more than one county to adopt a sales tax for the purpose of funding public safety. DOR believes this is Hannibal and Sikeston.

Hannibal

DOR records show that Hannibal has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$67,728,970	\$76,528,715	\$76,079,876	\$75,586,919	\$295,924,481
2018	\$67,631,899	\$79,601,649	\$76,285,136	\$77,940,647	\$301,459,331
2019	\$67,463,248	\$78,105,713	\$81,216,516	\$82,692,583	\$309,478,060
2020	\$69,982,369	\$87,152,350	\$85,155,682	\$87,018,479	\$329,308,879
2021	\$81,082,722	\$93,364,299	\$92,954,007	\$97,111,125	\$364,512,153
2022	\$81,170,292	\$100,642,087	\$100,479,879	\$102,098,456	\$384,390,715
2023	\$93,970,464	\$105,148,013	\$97,956,188		

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Hannibal would collect, and the fee retained by DOR as:

Hannibal	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2025	\$9,976	\$987,651	\$19,953	\$1,975,302
2026	\$10,176	\$1,007,404	\$20,352	\$2,014,808
2027	\$10,379	\$1,027,552	\$20,759	\$2,055,104

DOR notes that this proposal would become effective on August 28, 2024, and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months.

Hannibal	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$0	\$0
2026 * (8months)	\$13,568	\$1,343,206
2027	\$20,759	\$2,055,104

*Effective Date 8/28/2024

Sikeston

DOR shows that the City of Sikeston has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$72,768,638	\$75,906,396	\$71,303,847	\$72,021,616	\$292,000,496
2018	\$74,394,832	\$77,592,667	\$73,906,301	\$78,204,078	\$304,097,878
2019	\$75,086,348	\$79,150,901	\$74,977,901	\$78,655,685	\$307,870,835
2020	\$77,014,327	\$87,785,994	\$83,655,316	\$84,822,741	\$333,278,379
2021	\$88,403,515	\$95,942,004	\$93,652,633	\$100,823,372	\$378,821,523
2022	\$90,545,428	\$98,830,654	\$97,693,783	\$99,809,524	\$386,879,389
2023	\$98,416,230	\$100,412,394	\$96,039,616		

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Sikeston would collect, and the fee retained by DOR as:

Sikeston	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2025	\$10,374	\$1,027,017	\$20,748	\$2,054,035
2026	\$10,581	\$1,047,558	\$21,163	\$2,095,116
2027	\$10,793	\$1,068,509	\$21,586	\$2,137,018

DOR notes that this proposal would become effective on August 28, 2024 and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months.

Sikeston	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$0	\$0
2026 * (8 months)	\$14,109	\$1,396,744
2027	\$21,586	\$2,137,018

*Effective Date
 8/28/2024

This proposal in Section 1.(1)(p) allows any city with more than twelve thousand five hundred but fewer than fourteen thousand inhabitants and located in a county with more than twenty-two thousand but fewer than twenty-five thousand inhabitants to adopt a sales tax for the purpose of funding public safety.

Moberly

DOR records show that the City of Moberly has taxable sales of:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$54,417,296	\$58,761,605	\$57,188,513	\$58,494,665	\$228,862,079
2018	\$56,775,968	\$61,135,913	\$58,936,062	\$61,201,512	\$238,049,455
2019	\$55,120,922	\$59,952,650	\$57,408,389	\$61,069,054	\$233,551,015
2020	\$55,859,356	\$66,129,963	\$63,232,964	\$64,320,765	\$249,543,048
2021	\$64,437,630	\$69,254,646	\$68,914,974	\$73,071,081	\$275,678,332
2022	\$65,016,796	\$72,708,116	\$73,181,877	\$76,137,547	\$287,044,336

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR are showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Moberly would collect, and the fee retained by DOR as:

Moberly	1/4 of 1% Tax		1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2025	\$7,531	\$745,574	\$15,062	\$1,491,148
2026	\$7,682	\$760,485	\$15,363	\$1,520,971
2027	\$7,835	\$775,695	\$15,671	\$1,551,390

DOR notes that this proposal would become effective on August 28, 2024, and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months.

Moberly	1/2 of 1% Tax	
	DOR 1% Fee	Local Collection
2025	\$0	\$0
2026 * (8 months)	\$10,242	\$1,013,981
2027	\$15,671	\$1,551,390

*Effective Date 8/28/2024

This proposal in Section 94.900.1(1)(q) allows any city with more than five thousand six hundred but fewer than six thousand three hundred inhabitants and that is the county seat of a county with more than twenty-two thousand but fewer than twenty-five thousand inhabitants to adopt a sales tax to fund public safety. DOR assumes this is for the City of Richmond only.

Richmond

DOR shows that the City of Richmond had these taxable sales:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017					\$0
2018	\$23,856,414	\$25,797,094	\$25,344,445	\$25,215,739	\$100,213,692
2019	\$23,016,557	\$25,793,735	\$25,439,077	\$26,207,685	\$100,457,054
2020	\$24,964,469	\$28,091,507	\$27,102,776	\$27,978,039	\$108,136,791
2021	\$28,893,422	\$29,753,520	\$29,480,585	\$31,288,952	\$119,416,479
2022	\$29,693,490	\$31,698,332	\$32,037,453	\$34,606,388	\$128,035,663
2023	\$33,056,003	\$33,009,162			

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Richmond could receive as well as the 1% reimbursement fee that DOR is allowed to retain.

Richmond	1/4 of 1% Tax		1/2 of 1% Tax	
	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2025	\$3,452	\$341,724	\$6,904	\$683,449
2026	\$3,521	\$348,559	\$7,042	\$697,118
2027	\$3,591	\$355,530	\$7,182	\$711,060

DOR notes that this proposal would become effective on August 28, 2024, and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months.

Richmond	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$0	\$0
2026	\$4,695	\$464,745
2027	\$7,182	\$711,060

This proposal in Section 94.900.1(1)(r) allows any city with more than eighteen thousand but fewer than twenty thousand inhabitants and that is the county seat of a county with more than fifty thousand but fewer than sixty thousand inhabitants to adopt a sales tax to fund public safety. DOR assumes this is for the City of Warrensburg only.

Warrensburg

DOR shows that the City of Warrensburg had these taxable sales:

CY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
2017	\$74,974,171	\$79,546,510	\$79,546,512	\$76,665,224	\$310,732,416
2018	\$76,813,419	\$79,880,005	\$80,489,326	\$81,141,834	\$318,324,584
2019	\$76,577,988	\$84,062,669	\$84,790,144	\$84,187,783	\$329,618,585
2020	\$80,103,028	\$86,221,681	\$87,312,766	\$85,078,383	\$338,715,858
2021	\$87,555,011	\$94,341,178	\$97,669,163	\$98,618,688	\$378,184,041
2022	\$91,030,341	\$101,028,137	\$105,495,883	\$107,249,462	\$404,803,824

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact DOR will assume the one-half of one percent sales tax is adopted. However, for informational purposes DOR is showing how much would be collected if they just chose a lesser amount than the full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the City of Warrensburg could receive as well as the 1% reimbursement fee that DOR is allowed to retain.

Warrensburg	1/4 of 1% Tax		1/2 of 1% Tax	
	DOR 1% Fee	Local Collection	DOR 1% Fee	Local Collection
2025	\$10,303	\$1,019,988	\$20,606	\$2,039,975
2026	\$10,509	\$1,040,387	\$21,018	\$2,080,775
2027	\$10,719	\$1,061,195	\$21,438	\$2,122,390

DOR notes that this proposal would become effective on August 28, 2024, and the first election this issue could be presented to the voters would be the April 2025 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2025 (FY 2026) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2026 of 8 months.

Warrensburg	1/2 of 1% Tax	
Fiscal Year	DOR 1% Fee	Local Collection
2025	\$0	\$
2026 * (8 Months)	\$14,012	\$1,387,183
2027	\$21,438	\$2,122,390

*Effective Date 8/28/2024

This is not anticipated to have an administrative impact on the Department.

Oversight will range the fiscal impact from \$0 (not approved by voters) up to the estimates calculated by the Department of Revenue for the fiscal impact to general revenue and local political subdivisions.

Section 94.961 - Wentzville Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this provision allows the City of Wentzville to take to the voters of their city to see if they want a transient guest tax. Transient guest taxes are handled by the local political subdivision and not DOR. Therefore, this does not fiscally impact DOR.

Oversight assumes this proposal authorizes the City of Wentzville, upon voter approval, to enact a transient guest tax of at least 2% but not more than 5% per occupied room per night for general revenue purposes. Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approval by the majority of voters. If the majority of voters approve this issue on the ballot, then there would be potential tax revenue for the City of Wentzville. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact for this proposal.

Section 105.145 - Financial Reports by Political Subdivisions

Officials from the **Department of Revenue (DOR)** note 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 Department sends a notice to the political subdivision and thirty days later the fee starts to accumulate.

The Department collects the fine by offsetting any sales or use tax distributions due to the political subdivision. In essence the Department 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 Department 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 sales or use tax will be exempt from the penalty.

The Department notes that per statute DOR is allowed to retain 2% of the amount collected for administration. Since the program began, DOR has collected \$107,173.24 which has been deposited into General Revenue. All DOR collection fees are deposited into General Revenue and are not retained by the Department.

Current records of the Department show total fines of \$172,796,500 and that \$5,358,662 has been collected. The Department is showing the assessment of the fines by the political subdivision type and by the county in which the district that owes the fine is located.

County	Sum of Total Fine Imposed	Sum of Total Fine Collected
Adair	\$1,446,000	\$1,500
Andrew	\$430,500	\$0
Atchison	\$1,220,000	\$0
Audrain	\$1,105,500	\$0
Barry	\$3,019,500	\$18,975
Barton	\$0	\$0
Bates	\$1,457,500	\$33,253
Benton	\$710,500	\$0
Bollinger	\$2,854,500	\$0
Boone	\$259,000	\$33,728
Buchanan	\$2,481,000	\$92,823
Butler	\$2,759,500	\$46,825
Caldwell	\$168,000	\$24,533
Callaway	\$862,500	\$3,887
Camden	\$2,663,000	\$52,071
Cape Girardeau	\$803,500	\$0
Carroll	\$5,123,500	\$0
Carter	\$3,475,000	\$270,500
Cass	\$6,929,500	\$9,053
Cedar	\$419,500	\$49,500
Chariton	\$1,024,500	\$41,500
Christian	\$3,370,500	\$0
Clark	\$1,017,000	\$37,500
Clay	\$1,851,000	\$30,500
Clinton	\$1,456,000	\$16,500
Cole	\$998,500	\$7,696
Cooper	\$1,894,500	\$53,644
Crawford	\$2,039,000	\$19,000
Dade	\$227,000	\$0
Dallas	\$1,648,500	\$0
Daviess	\$1,074,000	\$0
Dekalb	\$1,030,500	\$0
Dent	\$214,000	\$0

Douglas	\$0	\$0
Dunklin	\$2,509,000	\$30,674
Franklin	\$2,048,000	\$40,746
Gasconade	\$65,500	\$6,404
Gentry	\$1,737,000	\$0
Greene	\$1,073,000	\$2,503
Grundy	\$1,206,500	\$0
Harrison	\$953,000	\$0
Henry	\$1,516,000	\$77,746
Hickory	\$979,500	\$0
Holt	\$2,799,000	\$11,202
Howard	\$1,277,000	\$147,500
Howell	\$977,500	\$11,000
Iron	\$29,500	\$12,000
Jackson	\$3,034,000	\$446,326
Jasper	\$2,350,500	\$77,182
Jefferson	\$1,788,500	\$23,535
Johnson	\$937,500	\$12,000
Knox	\$1,898,500	\$0
Laclede	\$255,500	\$12,000
Lafayette	\$613,500	\$38,442
Lawrence	\$3,947,000	\$0
Lewis	\$2,613,500	\$0
Lincoln	\$1,847,000	\$42,500
Linn	\$1,670,000	\$15,000
Livingston	\$2,618,000	\$0
Macon	\$504,000	\$0
Madison	\$2,296,500	\$206,476
Maries	\$525,500	\$1,000
Marion	\$347,500	\$0
McDonald	\$200,000	\$1,050
Mercer	\$469,500	\$0
Miller	\$1,094,500	\$8,946
Mississippi	\$1,430,500	\$6,619
Moniteau	\$0	\$0
Monroe	\$42,000	\$10,000
Montgomery	\$698,000	\$3,600
Morgan	\$0	\$0

New Madrid	\$2,436,000	\$147,377
Newton	\$852,500	\$29,282
Nodaway	\$4,094,000	\$19,500
Oregon	\$1,000	\$0
Osage	\$1,108,000	\$16,981
Ozark	\$43,000	\$43,000
Pemiscot	\$3,166,500	\$6,500
Perry	\$2,404,000	\$0
Pettis	\$988,000	\$15,500
Phelps	\$606,500	\$60,034
Pike	\$19,500	\$0
Platte	\$1,684,000	\$281,000
Polk	\$787,500	\$19,500
Pulaski	\$2,442,500	\$17,167
Putnam	\$3,000	\$0
Ralls	\$255,500	\$52,232
Randolph	\$2,149,500	\$10,889
Ray	\$4,284,000	\$0
Reynolds	\$960,500	\$1,911
Ripley	\$224,500	\$0
Saline	\$1,549,500	\$0
Schuyler	\$453,500	\$18,500
Scotland	\$1,300,000	\$0
Scott	\$2,657,500	\$17,000
Shannon	\$287,000	\$160,282
Shelby	\$15,500	\$15,500
St. Charles	\$2,419,500	\$132,787
St. Clair	\$3,108,000	\$341
St. Francois	\$449,000	\$35,326
St. Louis	\$5,110,500	\$1,540,330
St. Louis City	\$8,186,500	\$239,429
Ste. Genevieve	\$0	\$0
Stoddard	\$2,016,500	\$141,355
Stone	\$1,318,000	\$88,500
Sullivan	\$1,030,500	\$0
Taney	\$2,814,500	\$36,500
Texas	\$1,497,500	\$42,500
Vernon	\$2,399,000	\$12,000

Warren	\$10,500	\$10,500
Washington	\$856,500	\$12,000
Wayne	\$1,235,500	\$1,438
Webster	\$566,000	\$0
Worth	\$96,000	\$0
Wright	\$0	\$0
(blank)	\$524,500	\$46,066
Grand Total	\$172,796,500	\$5,358,662

This proposal allows for a one-time reduction of a political subdivisions current outstanding balance. Should a political subdivision file its reports by August 28, 2024, they will be entitled to a one-time downward adjustment of their existing fine by 90%.

The current outstanding balance is \$167,437,838 (\$172,796,500 owed - \$5,358,662 collected). 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 \$150,694,052 ($\$167,437,838 * .90$) no longer being owed.

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

Oversight notes parts of subsection 12, and subsections 13, 14 & 15 of this section were ruled unconstitutional by the Missouri Supreme Court in December 2023 (TAFP CCS for SS for SCS for HCS for HB 1606), however, those same subsections are being shown in this proposal as current language in statute. Oversight will treat these subsections as new language when reflecting the fiscal impact for this section of the proposal.

Oversight notes subsection 14 of this section allows for a one-time reduction of a political subdivision's current outstanding balance. Should a political subdivision file its reports after January 1, 2023, they will be entitled to a one-time downward adjustment of their existing fine by 90%.

Oversight notes the current outstanding balance is \$167,437,838 (\$172,796,500 owed - \$5,358,662 collected). This is money the DOR 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 \$150,694,052 ($\$167,437,838 * .90$) no longer being owed.

Oversight notes if all political subdivisions file their report and receive the reduction, it would be a loss of \$147,680,171 to the local school districts from not receiving the fine money, a loss to

the state of **\$3,013,881** in collection fees and a gain to the local political subdivisions of \$150,694,052(\$167,437,838 * 90%).

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
- 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,
- or any political subdivision with fewer than 500 inhabitants,

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 after 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 DOR is allowed to retain two percent of the fine revenue collected (per §105.145.11). Oversight assumes a large majority of the \$167,437,838 of outstanding fines to be uncollectible. Therefore, Oversight will range the fiscal impact from this proposal from \$0 to DOR's estimates.

Sections 140.170 & 140.190 - Auctions for Land with Delinquent Property Taxes

Oversight notes this provision allows a county collector to hold an auction of lands with delinquent property taxes through electronic media at the same time as said auction is held in-person.

Oversight assumes this modification to the section will have no fiscal impact on this proposal.

Sections 221.400, 221.402, 221.407, 221.410 - Regional Jail Districts

Officials from the **Department of Revenue (DOR)** note currently counties can join together to create a Regional Jail District. The Regional Jail District is allowed to take to the voters a sales tax for the purpose of funding the jail district. Statutes already allow other counties to join any existing jail district. This proposal adds language clarifying that any additional county wanting to join an existing jail district must have the sales tax approved by their voters before joining.

Section 221.402

This portion of the proposal adds that the jail district may use their sales tax to “equip” and “maintain” their jail facilities. This language is just clarifying language and will not have a fiscal impact.

Section 221.407

Currently the sales tax allowed for a jail district could be either 1/8th, 1/4th, 3/8th or 1/2 of one percent. This proposal adds language saying the tax can be “up to 1%”. This is just clean-up (simplifying) language and not expected to have any additional impact.

Impact

The Department notes that the Daviess/DeKalb Regional Jail District is the only one formed under Section 221.400. It currently assesses a 1/2% sales tax. For FY 22, they collected \$1,376,084.38. DOR is unaware if any of the surrounding counties are wishing to join this district. DOR assumes that once a new county would pass the sales tax and adopt the required ordinance, they would notify DOR and the department would get the new county set up. This would require DOR update their distribution program estimated to cost \$1,785 at the time the department is notified.

Oversight assumes the Department of Revenue 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.

Oversight assumes this proposal changes the sales tax percentage to up to 1%. Since the current Daviess/DeKalb Regional Jail District collects 1/2% in sales tax revenue, it is possible that the county commission could add the question to increase the sales tax rate to the November 2024 ballot. Oversight is also unaware of any surrounding counties who may want to join the current district. However, should a surrounding county get voter approval and approve an ordinance to join the district, additional revenues could be generated for the Regional Jail District. Oversight notes that not only is there an emergency clause for this proposal, but the current expiration date of September 30, 2028 is being removed from this proposal. Oversight assumes should the proposal pass, the current collection of sales tax for the Regional Jail District will continue into FY29 and beyond. Oversight also assumes if an additional sales tax is passed by the voters, the 1st day it would be effective would be April of 2025, assuming it is on the ballot November of 2024, and the collection of sales tax would be in May of 2025. Therefore, Oversight will reflect a

\$0 (no additional increase to sales tax approved by voters) or estimated revenues received (if approved by the voters) by the Regional Jail District to be unknown that could exceed the current DOR amount, as well as, a 1% administration fee collected by DOR.

Section 251.034 - Regional Planning Commissions

Oversight notes the Regional Planning Commissions receive funds from the Office of Administration and are required to be matched with local funds. This proposal doubles those limits and also provides for adjustments with the consumer price index beginning January 1, 2025. Oversight will reflect amounts “Up to” the proposed new amounts as these are caps, not actual appropriations. Oversight will use an inflation rate of 2% to calculate the amounts for FY 2026 and beyond. Oversight notes the appropriation in the current budget cycle (Perfected HB 5 – Section 5.305) is \$560,000, so there may not be additional fiscal impact in FY 2025.

Regional Planning Commission	Current Cap on Funding	Proposed Cap on Funding
East-West	\$65,000	\$130,000
Mid-American Regional Council	\$65,000	\$130,000
South Central Ozark	\$25,000	\$50,000
Ozark Foothills	\$25,000	\$50,000
Green Hills	\$25,000	\$50,000
Bootheel	\$25,000	\$50,000
Mark Twain	\$25,000	\$50,000
Southeast Missouri	\$25,000	\$50,000
Boonslick	\$25,000	\$50,000
Northwest Missouri	\$25,000	\$50,000
Mid-Missouri	\$25,000	\$50,000
Kaysinger Basin	\$25,000	\$50,000
Lake of the Ozark	\$25,000	\$50,000
Meramec	\$25,000	\$50,000
Northeast Missouri	\$25,000	\$50,000
Harry S. Truman	\$25,000	\$50,000
MO-Kan	\$25,000	\$50,000
Pioneer Trails	\$25,000	\$50,000
Southwest Missouri	\$25,000	\$50,000
Total	\$555,000	\$1,110,000

Oversight notes the actual state expenditures for the Regional Planning Commissions have been:

FY 2021	\$291,000
FY 2022	\$388,000
FY 2023	\$543,200

Section 311.094 - Entertainment Districts

Officials from the **Department of Revenue (DOR)** note this allows the issuance of a license to sell alcohol. This is not handled by DOR and therefore, would have a fiscal impact on DOR.

In response to a similar proposal this year HCS for HB 2348, officials from the **Department of Public Safety - Alcohol and Tobacco Control** assume an immaterial fiscal impact.

Oversight notes this provision grants an entertainment district special license that allows the sale of intoxicating liquor by the drink for retail consumption dispensed from one or more portable bars within the common areas of the entertainment district.

Oversight assumes this provision would impact qualifying businesses in an entertainment district in the City of Lake Ozark.

Oversight notes an applicant granted an entertainment district special license under this section shall pay a license fee of three hundred dollars per year.

Oversight is unable to determine the number of businesses who may qualify/apply for the special license.

Section 473.742 - Salaries of Public Administrators

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, 2024, 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 from the 2023 tax year 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 \$1,790,500. Adding additional payroll taxes and workers' compensation would yield a potential cost that could exceed \$2,005,539 and Oversight will reflect this amount in the fiscal note for this proposal.

Responses regarding the proposed legislation as a whole

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

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.

Officials from the **Platte County Board of Elections, Clay County Auditor, St. Louis City Board of Elections, and the St. Louis County Board of Elections**, each assume 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Potential Revenue Gain</u> - §94.900 - City of Joplin - DOR 1% Collection Fee if approved by voters - pp. (14-20)	\$0	\$0 or up to \$59,260	\$0 or up to \$90,667
<u>Potential Revenue Gain</u> - §94.900 - City of Richmond - DOR 1% Collection Fee if approved by voters - pp. (14-20)	\$0	\$0 or up to \$4,695	\$0 or up to \$7,182
<u>Potential Revenue Gain</u> - §94.900 - City of Hannibal - DOR 1% Collection Fee if approved by voters - pp. (14-20)	\$0	\$0 or \$13,568	\$0 or \$20,759

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<u>Potential Revenue Gain - §94.900 - City of Sikeston - DOR 1% Collection Fee if approved by voters - pp. (14-20)</u>	\$0	\$0 or \$14,109	\$0 or \$21,586
<u>Potential Revenue Gain - §94.900 - City of Moberly - DOR 1% Collection Fee if approved by voters - pp. (14-20)</u>	\$0	\$0 or \$10,242	\$0 or \$15,671
<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.21-26</u>	\$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 (§105.145) p. 21-26</u>	\$0 or up to (\$3,013,881)	\$0	\$0
<u>Revenues - §§221.400, 221.402, 221.405, 221.407 & 221.410 - DOR - 1% administration fee on sales tax collection - pp. (26-27)</u>	\$0 or Unknown, could exceed \$2,294	\$0 or Unknown, could exceed \$13,761	\$0 or Unknown, could exceed \$13,761
<u>Transfer Out – §251.034 - to Regional Planning Commissions - pp. (27-28)</u>	<u>\$0 or Up to (\$555,000)</u>	<u>\$0 or Up to (\$577,200)</u>	<u>\$0 or Up to (\$599,844)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or up to (\$3,566,587)</u>	<u>\$0 or up to (\$461,565)</u>	<u>\$0 or up to (\$430,218)</u>

FISCAL IMPACT – Local Government	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> - §§50.327 & 58.095 - Counties - potential salary increases for county coroners - pp. (3-5)	\$0 or up to (\$1,526,000)	\$0 or up to (\$1,526,000)	\$0 or up to (\$1,526,000)
<u>Cost</u> - §50.327.4 - Counties - adjustment on base schedules for county officials- pp. (3-5)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Savings</u> - §50.815 - in publication costs on financials posted in a newspaper of general circulation - p. (5)	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - §57.317 - Boone County Sheriff - potential increase in salary - p. (6)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Potential Revenue Gain</u> - §67.597 - Bates County - Sales Tax for Operation of Hospital if approved by voters - pp. (6-7)	\$0	\$0 or up to \$960,116	\$0 or up to \$1,468,978
<u>Potential Revenue Gain</u> - §67.1003 - City of Cottleville - Potential income from transient guest tax if approved by voters - p. (10)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1003 - City of Weldon Spring - Potential income from transient guest tax if approved by voters - p. (10)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1009 - City of Knob Noster - Potential income from transient guest tax if approved by voters - p. (10)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1013 - City of Harrisonville - Potential income	\$0	\$0 or Unknown	\$0 or Unknown

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
from transient guest tax if approved by voters - pp. (10-11)			
<u>Potential Revenue Gain</u> - §67.1013 - City of Jackson - Potential income from transient guest tax if approved by voters - pp. (10-11)	\$0	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1018 - New Madrid County - Potential income from transient guest tax if approved by voters - p.(11)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1360 - City of Richmond - Potential income from transient guest tax if approved by voters - p.(11)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1367 - Ste Genevieve County - Potential income from transient guest tax if approved by voters - p.(12)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1367 - Perry County - Potential income from transient guest tax if approved by voters - p.(12)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §94.900 - City of Joplin - Potential income from Public Safety Sales Tax if approved by voters - pp. (14-20)	\$0	\$0 or up to \$5,866,711	\$0 or up to \$8,976,067
<u>Potential Revenue Gain</u> - §94.900 - City of Richmond - Potential income from Public Safety Sales Tax if approved by voters - pp. (14-20)	\$0	\$0 or up to \$464,745	\$0 or up to \$711,060
<u>Potential Revenue Gain</u> - §94.900 - City of Hannibal - Potential income from Public Safety Sales Tax if approved by voters - pp. (14-20)	\$0	\$0 or \$1,343,206	\$0 or \$2,055,104

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<u>Potential Revenue Gain</u> - §94.900 - City of Sikeston - Potential income from Public Safety Sales Tax if approved by voters - pp. (14-20)	\$0	\$0 or \$1,396,744	\$0 or \$2,137,018
<u>Potential Revenue Gain</u> - §94.900 - City of Moberly - Potential income from Public Safety Sales Tax if approved by voters - pp. (14-20)	\$0	\$0 or \$1,013,981	\$0 or \$1,551,390
<u>Potential Revenue Gain</u> - §94.961 - City of Wentzville - Potential income from transient guest tax if approved by voters - pp. (20-21)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Savings</u> - §105.145.12 & .13 - on potential fines for certain LPS pp. (21-26)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Loss</u> - §105.145.12 & .13 - School districts receiving less fine revenue (from savings above) - pp. (21-26)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Savings</u> - §105.145.14 & .15 - 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 after 01/01/23 - pp. (21-26)	\$0 or up to \$150,694,052	\$0	\$0
<u>Loss</u> - §105.145.14 & .15 - School Districts - reduction in fine revenue from one-time adjustment of fine revenue - pp. (21-26)	\$0 or up to (\$147,680,171)	\$0	\$0
<u>Revenue</u> – §§221.400, 221.402, 221.405, 221.407 & 221.410 - Regional Jail District(s) - additional sales taxes received if approved by voters - pp. (26-27)	\$0 or Unknown, could exceed \$229,347	\$0 or Unknown, could exceed \$1,376,084	\$0 or Unknown, could exceed \$1,376,084

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
<u>Transfer In - §251.034 - Regional Planning Commissions - from General Revenue - pp. (27-28)</u>	\$0 or Up to \$555,000	\$0 or Up to \$577,200	\$0 or Up to \$599,844
<u>Cost - §473.742 - Counties - Potential salary increases for public administrators - pp. (28-29)</u>	<u>\$0 to (Could exceed \$1,671,283)</u>	<u>\$0 to (Could exceed \$2,005,539)</u>	<u>\$0 to (Could exceed \$2,005,539)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or unknown, greater or less than <u>\$700,945</u>	\$0 or unknown, greater or less than <u>\$9,567,248</u>	\$0 or unknown, greater or less than <u>\$15,444,006</u>

FISCAL IMPACT – Small Business

Certain small businesses may need to collect additional tax(es) as a result of this proposal.

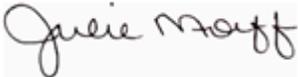
FISCAL DESCRIPTION

The proposed legislation modifies provisions relating to 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

Department of Revenue
Department of Public Safety - Alcohol and Tobacco Control
Joint Committee on Administrative Rules
Lincoln County
Livingston County
Christian County Auditor's Office
Clay County Auditor's Office
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Clay County Auditor



Julie Morff
Director
May 6, 2024



Ross Strobe
Assistant Director
May 6, 2024