

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4933H.05C
 Bill No.: HCS for HB 2206
 Subject: Political Subdivisions; Boards, Commissions, Committees, and Councils
 Type: Original
 Date: April 11, 2024

Bill Summary: This proposal establishes general requirements for meetings of governing bodies of political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2033)
General Revenue*	(Unknown, could exceed \$3,046,178)	(Unknown, could exceed \$79,062)	(Unknown, could exceed \$110,885)	(Unknown, could exceed \$147,579)
Total Estimated Net Effect on General Revenue	(Unknown, could exceed \$3,046,178)	(Unknown, could exceed \$79,062)	(Unknown, could exceed \$110,885)	(Unknown, could exceed \$147,579)

*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 \$3,013,881 (which represents if DOR would have collected 100% of the \$150.7 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	Fully Implemented (FY 2033)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2033)
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 2025	FY 2026	FY 2027	Fully Implemented (FY 2033)
Total Estimated Net Effect on FTE	0	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	Fully Implemented (FY 2033)
Local Government	Unknown, more or less than \$3,013,881	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

*(§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 \$3,013,881 (which represents if DOR would have collected 100% of the \$150.7 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

§44.251 – Protecting Missouri’s Small Businesses Act

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this proposal would require a reduction of fees, personal property tax, and real property tax in political subdivisions with shutdown orders. Qualifying shut down orders must be caused by reasons outside of a business’ control.

Beginning January 1, 2025, any political subdivision with a shutdown order that lasts for at least 21 consecutive days, or 45 cumulative days must:

- Waive all business license fees during the shutdown order or six months, whichever is longer.
- Reduce real and personal property tax liabilities based on the number of days a business was closed due to the shutdown order.

This proposal would not:

- Waive individual license or certification fees related to the practice of a profession.
- Require the state to provide restitution or replacement revenue to the political subdivision.

For shutdown orders that end before June 1st, the county assessor must reduce the property tax liability for all real and personal property located within the boundaries of the shutdown order. The reduction shall be based on the number of days a business was closed due to the shutdown order. Affected taxpayers must then pay the reduced tax amount by December 31st.

For shutdown orders that end on or after June 1st, the taxpayer must pay the full property tax liability by December 31st. The county assessor must then provide information on how such taxpayer may apply for a refund. The taxpayer must apply for a tax refund by January 15th. The county assessor must then calculate the allowable refund amount by February 15th and pay all refund claims by March 15th.

B&P notes that Section 44.251.4(2) requires business owners that rent or lease their real property distribute the property tax savings to all renters and lessors.

B&P further notes that it is unclear whether this proposal would impact state property tax levies, if there were a statewide shutdown order. B&P also notes that the Blind Pension Trust Fund levies a \$0.03 per \$100 assessed value property tax on all real and personal property located within Missouri.

B&P is unaware of any restrictive public health orders currently in effect. Therefore, this proposal may have an unknown impact on state and local revenues in the future.

B&P notes the following concerns with the proposed language:

- State Impact
 - It is unclear whether this proposal would impact state property tax levies, if there were a statewide shutdown order. Section 44.251.2(2) includes orders by the state within the definition of “shutdown order”. Therefore, B&P assumes that if there were a statewide shutdown order, state revenues would be impacted through the reduction in license fees as well as reductions in real and personal business property.
- Business License Fees
 - Section 44.251.4(1)(a) would require political subdivisions to waive business license fees for six months for any shutdown order that lasts less than 180 days. If a business is closed due to a shutdown order for 22 consecutive days, the political subdivision must still waive the fees for the full 180 days.

B&P further notes that the last sentence Section 44.251.4(1)(a) allows business license fees to be prorated, but the language provides no information as to how they may be prorated. B&P assumes that the license fees may be prorated for the remaining six months (or less depending on the length of the closure) of the year. B&P further assumes that the license fees may not be prorated to account for only the days a business was actually closed (if less than six months).

- Property Taxes – Shutdown orders ending before June 1st
 - B&P notes that this proposal does not provide information on what would happen if a taxpayer paid the reduced tax after December 31. It is unclear whether the taxpayer would be assessed interest and penalties on the reduced tax liability or on the full tax liability.

- In addition, because the language is vague, it is also unclear if taxpayers would be liable for the full tax amount (amount before reduction) if they pay the tax liability after December 31st.
- Property Taxes – Shutdown orders ending on or after June 1st
 - B&P notes that it is unclear what would happen if a taxpayer paid the tax liability after December 31st. Whether a late payment would disqualify such taxpayer from receiving a refund, or whether interest and penalties would be assessed on the full tax liability or the remaining tax liability accounting for the refund amount.
 - B&P further notes that one month may not be enough time for a county assessor to review and calculate the eligible refund amount for all refund claims within that county. B&P notes that as of 2019, the median number of businesses per county was 385 and there were 25 counties with over 1,000 businesses.

Officials from the **Department of Revenue (DOR)** assume no fiscal impact from this provision.

Officials from the **County Employees' Retirement Fund (CERF)** assume this section may result in reductions in contribution revenue to CERF of an unknown amount annually. A certain portion of the moneys that are used to fund the County Employees' Retirement Fund are tied to the collection of property taxes. Data is not available to quantify the impact to contribution revenue but CERF assumes there would be a negative impact.

Officials from **Kansas City** assume a negative fiscal impact for this proposal.

In response to similar legislation from this year, HB 2874, officials from **Northwest Missouri State University** 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 purposes of this fiscal note, **Oversight** assumes this proposal would not impact the Blind Pension Fund. If this assumption is incorrect, it could substantially alter the impact provided in this fiscal note.

Oversight will present an impact on this fiscal note as a \$0 (no shutdown order in implemented) or an unknown loss in revenue to local political subdivisions for the reduced property tax revenues and the waived business license fees.

§§64.570, 64.820, 65.665, 89.380 & 182.819 – Library Boards and County Planning Commissions

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this bill prohibits Library Boards from overruling county planning commission plans. The bill also prevents real property owned by a board governing a library from being used for any purpose

that violates any zoning ordinance or regulation as specified in the bill. This bill allows the board of trustees of a consolidated public library district to set their own fiscal years, rather than requiring the fiscal year to begin on July 1st and end on June 30th. B&P defers to local political subdivisions on the fiscal impact.

In response to similar legislation from 2023, Perfected HCS for HB 986, officials from the **City of Jefferson** 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 city.

In response to similar legislation from this year, HB 1512, officials from the **Office of the State Auditor** 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.

In response to similar legislation from 2023, Perfected HCS for HB 986, officials from the **City of Claycomo** and the **City of Springfield** 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.

§§67.137 & 534.157 – Eviction Proceeding Moratoriums & Filings for Transfers of Real Property on Landlord-Tenant Actions

Officials from the **Department of Commerce and Insurance** 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.

In response to a similar proposal from 2023 (Perfected SS for SB 222), officials from the **Attorney General's Office** assumed the proposal would have no fiscal impact on their organization.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume the language bars local and county governments from imposing eviction moratoriums unless specifically authorized by state law. This precludes actions taken during the COVID lockdown.

Defines a COVID-19 Health Order and limits the ability of local public health agency's ability to enforce health orders.

B&P defers to local political subdivisions on the fiscal impact.

Officials from **Kansas City** assume a negative fiscal impact for this proposal.

Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight notes in similar legislation from this year, Perfected SS

for SB 895, Kansas City's response was no impact. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional 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. For now, Oversight will reflect a \$0 fiscal impact for these sections of the proposal.

§67.288 – Electric Vehicle Charging Station Requirements

In response to similar legislation from this year, Perfected HCS for HB 1511, officials from the **City of Kansas City** assumed the proposed legislation has a potential negative fiscal impact of an indeterminate amount.

Oversight assumes this proposal would have no local fiscal impact without action taken by the governing body of a local political subdivision to adopt an ordinance, resolution, regulation, code or policy requiring the installation of electric vehicle stations. Oversight does not know of any governing bodies that have approved such an ordinance. Until that action is taken by a local political subdivision, Oversight will assume a \$0 direct fiscal impact to local political subdivisions.

Officials from the **Office of Administration - Budget and Planning (B&P)** defers to the local government for the fiscal impact. The legislation has no impact on TSR or the 18e calculation.

Subsection 67.288.1 – This subsection defines “electric vehicle” and “electric vehicle charging station”.

Subsection 67.288.2 - The 2024 version of this legislation still requires political subdivisions to pay the costs of installation and maintenance of electric vehicle charging stations at nonautomotive fueling station businesses and sets a five-charging station limit on the number that a business can be required to install per parking lot. The provision also designates parking lots with more than thirty parking spaces as the spaces that can be subject to the electric charging station requirement.

Subsection 67.288.3 – Allows businesses to install electric vehicle charging stations if they so choose.

However, establishing a mandate that political subdivisions that pass an ordinance requiring installation of electric charging stations must incur the installation and maintenance costs may violate the Hancock Amendment to the Missouri Constitution.

In response to similar legislation from this year, Perfected HCS for HB 1511, officials from the **Office of Administration** 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.

§67.488 – Building Permit Reform Act

Officials from the **Office of Administration - Budget and Planning (B&P)** assume §67.488 requires the state or any of its political subdivisions to provide free of charge in digital or physical format a copy of any third-party standard or code subject to copyright protection. This obligates the state to provide the standard or code unless the state repeals the mandate or declares it will not be enforced until repealed. Given the broad and encompassing definition of “any political subdivision”, this proposal obligates the state to provide standard and code materials every time it or any community, institution, or entity in the state sets forth a regulation pursuant to a third-party standard or code.

Given that the extent of adoption of these standards and codes is unknown and the incorporation of the standard or code by reference may involve publishing in statute or regulation, the estimated impact of this Subsection 12 language would be \$0 to Unknown.

Oversight does not have information to the contrary and therefore, Oversight will reflect the potential impact as presented by the B&P.

Officials from the **City of Kansas City** assume this proposal could have a negative fiscal impact in lost permit fees.

In response to similar legislation from 2023, HCS for HB 625, officials from the **City of O’Fallon** and the **City of Springfield** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary.

Oversight assumes this proposal establishes the Building Permit Reform Act and prohibits a political subdivision from requiring an exempt homeowner to obtain a license, certification, or professional registration or be tested as a condition of applying for a building permit if all work is done by the owner. The proposal also states if the property is transferred by the owner within one year of completing any work, the political subdivision may assess the homeowner with a one-time administration fee not to exceed \$5,000.

Oversight is unclear how many homeowners fall into the category as an “Exempt Homeowner” or how many building permits are issued by local political subdivisions (LPS) on a yearly basis. Oversight assumes there could be a loss in revenues to LPS for building permits with this proposal and therefore will reflect a \$0 to unknown loss of revenue for this proposal. Oversight also assumes there could be additional administrative fee revenues if the property is transferred by the owner within one year of completing any work but possibly would be minimal. Therefore, Oversight will also reflect a \$0 or unknown Income for administration fees to locals for this proposal.

In response to similar legislation from this year, Perfected HB 2282, officials from the **Office of Administration** 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.

§67.2677 – Video Service Providers

Officials from the **Office of Administration - Budget and Planning** defer to local governments on the fiscal impact.

Officials from the **Department of Revenue** 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.

Officials from the **City of Kansas City** assume this proposal could have a negative fiscal impact.

Oversight assumes this proposal may create a fiscal impact to local political subdivisions that collect the franchise entity fee in Section 67.2689, as that fee utilizes the “video service” definition, which is being amended by this bill. Oversight will reflect a \$0 to potential unknown revenue and potential unknown loss to local political subdivisions.

Officials from the **Department of Commerce and Insurance** 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.

§67.2727 – General Requirements of Meetings for Local Political Subdivisions

In response to similar legislation from 2023, HCS for HB 1295, officials from **Cole County** assumed this proposal will have a fiscal impact of up to \$622.18 per meeting. This amount is based on the compensation of department directors and senior staff members who are required to attend County Commission meetings, which are scheduled at least weekly. This results in an annual cost of \$32,353 of staff time that may not be productive. This number does not include the compensation of any elected officials who may also be required to attend.

In response to a previous version, officials from **Jackson 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.

In response to similar legislation from 2023, HCS for HB 1295, 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.

Oversight assumes this proposal sets out requirements by July 1, 2025, for local political subdivisions (LPS) to adopt meeting speaker policies to ensure certain requirements of the proposal are followed at each meeting of the governing body of the LPS. Oversight assumes the

local political subdivisions could absorb any additional costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, LPS could request funding through the appropriation process. Therefore, Oversight will reflect no fiscal impact from this proposal.

§67.5122 - Uniform Small Wireless Facility Deployment Act

Officials from the **Department of Revenue** 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.

Officials from the **City of Kansas City** assume the proposed legislation will have a negative fiscal impact.

Oversight assumes this proposal removes the expiration date (January 1, 2025) of the act and allow the continuation of §§67.5110 to 67.5121 which is intended to encourage and streamline the deployment of small wireless facilities. Oversight will reflect a potential negative unknown fiscal impact to local political subdivisions for this proposal based on the response from the City of Kansas City.

Officials from the **Department of Commerce and Insurance**, 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.

§79.235 – Residency Requirements of a City of the Fourth Classification

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

Officials from the **Department of Commerce and Insurance** 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.

In response to similar legislation from this year, Perfected HCS for HB 2286, officials from the **Missouri Ethics Commission** 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.

Oversight notes this proposal allows the mayor of a 4th class city with less than 3,000 inhabitants to appoint a member to a local board or commission if the prospective appointee owns real property or a business in the city. Oversight assumes the proposal will not have a direct fiscal impact.

§90.520 – Public Parks

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

Oversight assumes no fiscal impact from this section of the proposal.

§105.145 – Financial Statements of Political Subdivisions

Officials from the **Office of Administration - Budget and Planning (B&P)** state this 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 DOR of any fines already paid under these circumstances. The 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 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 DOR 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.

The DOR collects the fine by offsetting any sales or use tax distributions due to the political subdivision. 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 DOR to collect, so the DOR assumes much of what is owed is uncollectable. This is not state money but local political subdivision funds.

The DOR 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 which has been deposited into General Revenue. All DOR collection fees are deposited into General Revenue and are not retained by the DOR.

This proposal would prohibit a district with less than 500 inhabitant from being assessed a fine under this proposal and would require that any previous fine be considered null and void. Current records of the DOR show total fines of \$172,796,500 and that \$5,358,662 has been collected. DOR is unable to estimate the number of political subdivisions that would qualify for this tax exemption. The DOR 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 would result in fewer future fines being assessed. 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. 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. The impact of this proposal is unknown.

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.

In response to similar legislation from this year, HB 2571, officials from the **City of O'Fallon**, **Jackson County Board of Elections**, the **Christian County Auditor's Office** and the **Office of the State Auditor** 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.

§115.127 – Candidacy Declaration Deadline

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

In response to similar legislation from this year, Perfected HB 1604, officials from the **Jackson County Board of Elections**, the **Kansas City Board of Elections** and the **Greene County Clerk's Office** 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.

§115.615 – County and City Committee Meeting Location

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

In response to similar legislation from this year, Perfected HB 1909, officials from the **Jackson County Election Board** and the **St. Louis County Election Board** 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.

§§115.635, 115.637, 578.712 – Tampering with an Election Official

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

Officials from the **Department of Corrections (DOC)** state section 578.712 creates the offense of tampering with an elected county official and associated class D felony and class B felony penalties.

For each new nonviolent class D felony, the DOC estimates three people could be sentenced to prison and five to probation. The average sentence for a nonviolent class D felony offense is 5 years, of which 2.8 years will be served in prison with 1.7 years to first release. The remaining 2.2 years will be on parole. Probation sentences will be 3 years.

Change in prison admissions and probation openings with legislation-Class D Felony (nonviolent)

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	3	3	3	3	3	3	3	3	3	3
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	5	5	5	5	5	5	5	5	5	5
Change (After Legislation - Current Law)										
Admissions	3	3	3	3	3	3	3	3	3	3
Probations	5	5	5	5	5	5	5	5	5	5
Cumulative Populations										
Prison	3	6	8	8	8	8	8	8	8	8
Parole			1	4	7	7	7	7	7	7
Probation	5	10	15	15	15	15	15	15	15	15
Impact										
Prison Population	3	6	8	8	8	8	8	8	8	8
Field Population	5	10	16	19	22	22	22	22	22	22
Population Change	8	16	24	27	30	30	30	30	30	30

Given the seriousness of class B felony offenses and that the introduction of a completely new class B felony offense is a rare event, the DOC assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class B felony as their most serious sentence, have an average sentence length of 9.0 years and served, on average, 3.4 years in prison prior to first release. The DOC assumes one third of the remaining sentence length will be served in prison as a parole return, and the rest of the sentence will be served on supervision in the community.

Change in prison admissions and probation openings with legislation-Class B Felony

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	0	0	0	0	0	0	0	0	0	0
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations										
Cumulative Populations										
Prison	1	2	3	4	5	5	5	5	5	5
Parole						1	2	3	4	4
Probation										
Impact										
Prison Population	1	2	3	4	5	5	5	5	5	5
Field Population						1	2	3	4	4
Population Change	1	2	3	4	5	6	7	8	9	9

Combined Cumulative Estimated Impact

The combined cumulative estimated impact on the DOC is 13 additional offenders in prison and 26 additional offenders on field supervision by FY 2033.

Change in prison admissions and probation openings with legislation

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	4	4	4	4	4	4	4	4	4	4
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	5	5	5	5	5	5	5	5	5	5
Change (After Legislation - Current Law)										
Admissions	4	4	4	4	4	4	4	4	4	4
Probations	5	5	5	5	5	5	5	5	5	5
Cumulative Populations										
Prison	4	8	11	12	13	13	13	13	13	13
Parole	0	0	1	4	7	8	9	10	11	11
Probation	5	10	15	15	15	15	15	15	15	15
Impact										
Prison Population	4	8	11	12	13	13	13	13	13	13
Field Population	5	10	16	19	22	23	24	25	26	26
Population Change	9	18	27	31	35	36	37	38	39	39

	# to prison	Cost per year	Total Costs for prison	Change in for probation & parole officers	Total cost for probation and parole	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	4	(\$9,689)	(\$32,297)	0	\$0	5	(\$32,297)
Year 2	8	(\$9,689)	(\$79,062)	0	\$0	10	(\$79,062)
Year 3	11	(\$9,689)	(\$110,885)	0	\$0	16	(\$110,885)
Year 4	12	(\$9,689)	(\$123,385)	0	\$0	19	(\$123,385)
Year 5	13	(\$9,689)	(\$136,340)	0	\$0	22	(\$136,340)
Year 6	13	(\$9,689)	(\$139,067)	0	\$0	23	(\$139,067)
Year 7	13	(\$9,689)	(\$141,848)	0	\$0	24	(\$141,848)
Year 8	13	(\$9,689)	(\$144,685)	0	\$0	25	(\$144,685)
Year 9	13	(\$9,689)	(\$147,579)	0	\$0	26	(\$147,579)
Year 10	13	(\$9,689)	(\$150,530)	0	\$0	26	(\$150,530)

* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is \$26.545 per day or an annual cost of \$9,689 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is \$99.90 per day or an annual cost of \$36,464 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's impact for fiscal note purposes.

Officials from the **Office of the State Public Defender (SPD)** assume per the recently released National Public Defense Workload Study, the new charge contemplated by the change to Section 578.712 would take approximately thirty-five hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need for an additional one to two attorneys. Because the number of cases that will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel, and litigation expenses

Oversight notes in FY22 the SPD was appropriated moneys for 53 additional FTE. Oversight assumes this proposal will create a minimal number of new cases and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However, if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

In response to similar legislation from this year, Perfected HCS for HB 2140, officials from the **Jackson County Election Board** assumed the proposal will have no fiscal impact on their organization for this proposal.

§§162.471 & 162.492 – School Board vacancies

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

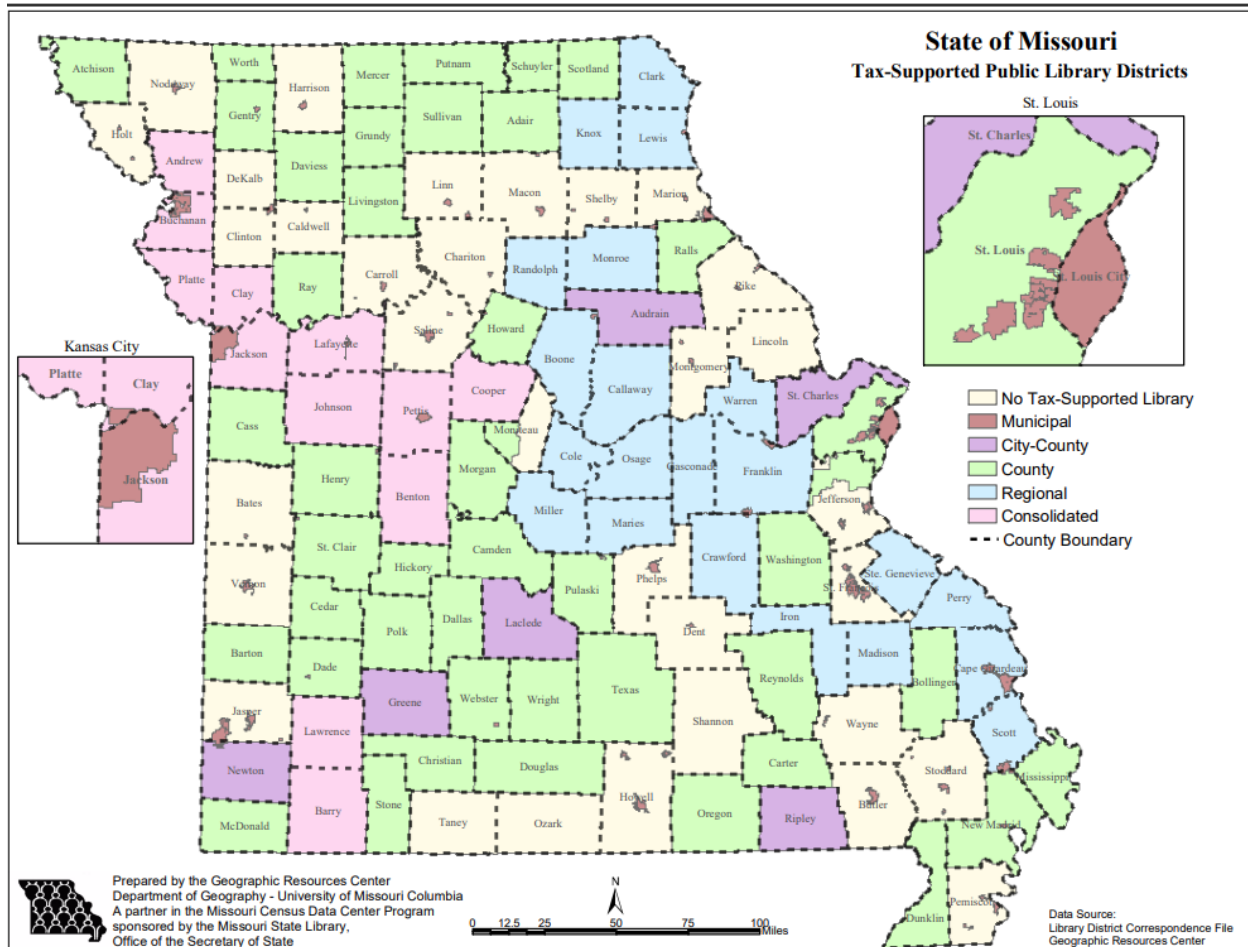
Oversight assumes no fiscal impact from this section of the proposal.

Oversight received zero responses from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note. Oversight only reflects the responses received from state agencies and political subdivisions; however, school districts 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.

§182.645 – Dates for the Fiscal Year of Consolidated Public Library Districts

Oversight assumes this section of the proposal would not have a direct fiscal impact to public library districts.

Oversight notes according to the SOS’s website there are 12 counties (Cooper, Pettis, Benton, Johnson, Lafayette, Lawrence, Barry, Jackson, Clay, Platte, Buchanan & Andrew) in the state that have consolidated public library districts as listed in the chart below:



In response to similar legislation from this year, HB 1512, officials from the **Office of the State Auditor** 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.

In response to similar legislation from 2023, Perfected HCS for HB 986, officials from the **City of Claycomo** and the **City of Springfield** 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.

§192.257 – Return of fines/monetary penalties for violation of COVID-19 health orders

Officials from the **Office of Administration - Budget and Planning (B&P)** assume the language bars local and county governments from imposing eviction moratoriums unless specifically authorized by state law. This precludes actions taken during the COVID lockdown.

Defines a COVID-19 Health Order and limits the ability of local public health agency's ability to enforce health orders.

B&P defers to local political subdivisions on the fiscal impact.

In response to a previous version, officials from **Kansas City** assumed a negative fiscal impact of an indeterminate amount.

In response to similar legislation from 2023, HCS for HB 262, officials from the **Kansas City Health Department** stated the fiscal impact of this proposal is indeterminate.

Oversight assumes the fiscal impact of returning any fines or monetary penalties related to COVID-19 health orders collected by Jackson County or the Kansas City health department within Jackson County will have a negative unknown fiscal impact in FY 2024. Oversight is not able to determine the amount of COVID-19 fine revenue collected in Jackson County since March 12, 2020. In addition, it is unknown how much may have to be paid in court costs and legal fees.

In response to similar legislation from 2023, HCS for HB 262, officials from the **City of Springfield**, the **City of Urich**, the **Newton County Health Department** and the **St. Louis County Health Department** 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.

§230.205 – Alternative County Highway Commissions

Officials from the **Office of Administration - Budget and Planning** defer to the county government on the fiscal impact.

Oversight assumes no fiscal impact from this section of the proposal.

§260.243 – Permits for Commercial Solid Waste Processing Facilities

Officials from **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

In response to similar legislation from this year, HB 1556, officials from **Springfield** and the **City of Urich** 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.

Oversight assumes no direct fiscal impact for this section of the proposal.

§273.358 – Ordinances for the Operation of Pet Shops

Officials from **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

In response to similar legislation from this year, SB 937, officials from the **Office of Administration** 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.

§349.045 – Industrial Development Corporations in Lewis County

Officials from **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

In response to similar legislation from 2023, Perfected HB 490, officials from the **City of Springfield** and **St. Louis City** 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.

Oversight notes the population described in subsection 2 does not correspond to Lewis County according to the 2020 census. Lewis County did not respond to Oversight's request for fiscal impact. Oversight assumes any fiscal impact from this proposal would not be material.

§407.932 – Tobacco Licenses

Officials from the **Office of Administration - Budget and Planning** defer to DOR for more specific estimates of licensure cost impact.

In response to similar legislation from this year, HB 1484, officials from the **Department of Revenue (DOR)** assumed this provision prohibits a political subdivision from denying a tobacco license to a qualified applicant at the same location there was a license the previous 24 months. The DOR assumes this section will not have a fiscal impact.

Oversight has no information to the contrary. Therefore, Oversight will present no fiscal impact for the DOR.

§436.337 – Home Inspection Requirements before the Sale of Residential Property

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on fiscal impact.

Officials from the **Department of Commerce and Insurance** 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.

§442.404 – Binding Agreements Regarding Pasturing of Chickens

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on fiscal impact.

In response to similar legislation from this year, SB 985, 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.

§610.021 – Sunshine Law

Officials from the **Office of Administration - Budget and Planning** defer to local political subdivisions on the fiscal impact.

Officials from the **Department of Commerce and Insurance** 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.

In response to similar legislation from this year, Perfected HCS for HB 1720, officials from the **Office of Administration**, the **Missouri Ethics Commission**, the **Office of the State Auditor**, the **Attorney General’s Office**, the **Missouri Higher Education Loan Authority** 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.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Labor and Industrial Relations**, the **Department of Mental Health**, the **Department of Public Safety (Division of Alcohol and Tobacco Control, Office of the Director, Fire Safety, Capitol Police, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission, State Emergency Management Agency)**, the **Department of Social Services**, the **Office of the Governor**, the **Missouri Department of Agriculture**, the **Department of**

Natural Resources, the Missouri Department of Conservation, the Missouri Department of Transportation, the Missouri National Guard, the Office of the State Treasurer, the Phelps County Sheriff's Office, the Branson Police Department, the Kansas City Police Department, the Missouri Lottery Commission, the Missouri Consolidated Health Care Plan, the Platte County Board of Elections, the St. Louis City Board of Elections, the St. Louis County Board of Elections, the Lincoln County Assessor's Office, the Clay County Auditor's Office, the University of Central Missouri, the Missouri House of Representatives, the Joint Committee on Administrative Rules, the Joint Committee on Education, the Joint Committee on Public Employee Retirement, Legislative Research, the Oversight Division, the Missouri Senate, the Kansas City Civilian Police Employees' Retirement, the Kansas City Police Retirement System, the Metropolitan St. Louis Sewer District Employees Pension Plan, the Kansas City Public School Retirement System, the Public Education Employees' Retirement System, the Sheriff's Retirement System, the Metropolitan St. Louis Sewer District, the Pulaski County Sewer District #1, the South River Drainage District, the St. Charles County PWS #2, the Wayne County PWS #2, the Missouri Office of Prosecution Services, the Missouri State Employee's Retirement System, the Callaway County SB 40 Board the Daniel Boone Regional Library and the State Tax Commission 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.

In response to a previous version, officials from the **Office of Administration - Administrative Hearing Commission, the MoDOT & Patrol Employees' Retirement System, the Petroleum Storage Tank Insurance Fund, the University of Missouri System, the City of Osceola, the St. Louis County Police Department** and the **Osceola 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 State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

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 only reflects the responses received from state agencies and political subdivisions; however, other cities, local election authorities, counties, county assessors, county auditors, county collectors, county treasurers, local law enforcement agencies, fire protection districts, ambulance districts, retirement agencies, school districts, utility districts, colleges and electric companies and coops 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	Fully Implemented (FY 2033)
GENERAL REVENUE				
<u>Costs – State agencies - providing standard and code materials of third parties subject to copyright protection §67.488 p. 8 & 9</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<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 §105.145.12 & .13 p. 15 & 16</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 §105.145.14 & .15 p. 15 & 16</u>	\$0 or up to (\$3,013,881)	\$0	\$0	\$0
<u>Costs – DOC §§115.635, 115.637 & 578.712 - Increased incarceration costs p. 19</u>	(\$32,297)	(\$79,062)	(\$110,885)	(\$147,579)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown, could exceed \$3,046,178)</u>	<u>(Unknown, could exceed \$79,062)</u>	<u>(Unknown, could exceed \$110,885)</u>	<u>(Unknown, could exceed \$147,579)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2033)
LOCAL POLITICAL SUBDIVISIONS				
<u>Revenue Reduction</u> - §44.251 – Reduction in real and personal property tax revenues in the event of a shutdown order p. 5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue Reduction</u> - §44.251 – Waiving of business license fees in the event of a shutdown order p. 5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> – of revenues from building permits issued to exempt homeowners §67.488 p. 8 & 9	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> – political subdivisions must return 50% of permit amount if fail to inspect within 10 days §67.488.5 p. 8 & 9	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Revenue</u> – potential one-time administration fee if the ownership of the property is transferred within one year §67.488.3(2) p. 8 & 9	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue/Loss</u> - §67.2677 - potential Video Service Provider Fees change from definition change to “video service” p. 9	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
<u>Cost</u> – §67.5122 - extends sunset date on small wireless facilities p. 10	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2033)
<u>Savings</u> – on potential fines for certain LPS §105.145.12 & .13 p. 15 & 16	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Loss</u> – School districts receiving less fine revenue (from savings above) §105.145.12 & .13 p. 15 & 16	\$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 after 1/1/23 §105.145.14 & .15 p. 15 & 16	\$0 or up to \$150,694,052	\$0	\$0	\$0
<u>Loss</u> – School Districts – reduction in fine revenue from one-time adjustment of fine revenue §105.145.14 & .15 p. 15 & 16	\$0 or up to (\$147,680,171)	\$0	\$0	\$0
<u>Loss</u> – Local Health Departments §192.257 – refund of COVID-19 related fines and penalties p. 22	(Unknown)	\$0	\$0	\$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown, more or less than \$3,013,881</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT – Small Business

§44.251 - This proposal could impact small businesses that may be shut down by waiving and reimbursing business license fees and reducing/refunding taxes owned on real and personal property.

§§67.137 & 534.157 - Small rental businesses could be impacted as a result of this proposal.

§67.288 - There could be a positive direct fiscal impact to small businesses if a local political subdivision adopts (and pays for) an ordinance, resolution, regulation, code or policy that requires installation of electric vehicle charging stations.

§67.488 - There could be a direct fiscal impact to small businesses who are exempt homeowners and run a home business as a result of this proposal.

§192.257 - This proposal may have a positive fiscal impact on any small business that incurred a fine/penalty because of local COVID-19 health orders.

§436.337 - Small business home inspectors could be impacted by this proposal.

FISCAL DESCRIPTION

§44.251 - This bill creates the "Protecting Missouri's Small Businesses Act".

The bill requires the State and its political subdivisions to give careful consideration to and appropriate concern for the lasting effects of actions taken during a "shutdown order", as defined in the bill.

The bill provides that beginning January 1, 2025, if any political subdivision with jurisdiction over a business implements a shutdown order and the business closes due only to the shutdown order, the following requirements apply:

- (1) Waiving any fee for a business license during the period of the shutdown order; and
- (2) Reducing the real and personal property tax liability of the business based on the number of days the business was shut down in a given year, as specified in the bill.

If a taxpayer rents or leases all or a portion of the taxpayer's affected real property to one or more renters or lessors, the taxpayer must distribute a pro rata amount of the reduced liability to renters or lessors who are current on all lease or rental payments. This bill is not to be construed to affect professional licensure and does not require the State to provide restitution or to replace lost revenues to a political subdivision.

§67.488 - This bill establishes the "Building Permit Reform Act". "Exempt homeowner" is defined for purposes of this section as a resident, noncorporate owner of a detached, single-family residence.

The bill prohibits a political subdivision from requiring an exempt homeowner to obtain a license, certification, or professional registration or be tested as a condition of applying for a building permit if all work is done by the owner. If the property is transferred by the owner within one year of completing any work, the political subdivision may assess the homeowner

with a one-time administration fee not to exceed \$5,000. Applicable building codes or inspections required by law are not prohibited. The owner can hire a contractor. Certain instances to which these provisions do not apply are specified in the bill.

Certain activities for which the political subdivision can not require an exempt homeowner to get a permit, license, variance, or other prior approval are detailed in the bill.

A permit inspection not made within 10 business days of an exempt homeowner request will result in 50% of the permit charges being refunded. If not made within 20 business days, the inspection will be waived and the exempt homeowner can proceed as if the inspection were passed.

Provided the permit is not allowed to expire prior to renewal, an exempt homeowner will not be charged a fee to extend or renew a permit, no matter how many times it is renewed, unless the work is visible from the neighboring properties or adjacent streets. A political subdivision may require a job site with uncompleted work to be maintained in a state that does not pose an imminent threat.

No exempt homeowner will be assessed a fine or fee for unpermitted work in an amount greater than double of what would have been charged if a permit had been issued at the time it was discovered. No exempt homeowner will be required to undo work that has been done without a permit unless the political subdivision can prove by photographic or similar objective evidence that the work performed did not meet code or safety standards.

§§67.2677 & 67.5122 - This act modifies provisions relating to the taxation of utility infrastructure.

VIDEO SERVICE PROVIDERS

This act modifies the definition of "video service" to include the provision of video programming by a video service provider provided through wireline facilities located in a public right-of-way without regard to the delivery technology. "Video service" does not include any video programming accessed via a service that enables users to access content over the internet, including streaming content. (Section 67.2677)

WIRELESS FACILITIES

This act extends the sunset date of the Uniform Small Wireless Facility Deployment Act from January 1, 2025, to December 31, 2029. (Section 67.5122)

§105.145 - The bill also changes the laws regarding the consequences to a political subdivision for failure to file the required annual financial statement with the State Auditor.

Any political subdivision that has gross revenues of less than \$5,000 or that has not levied or collected a tax is not subject to the fine.

If the failure to submit the annual financial statement is a result of fraud or other illegal conduct by any employee, the failure will not result in a fine if the financial statement is filed within 30th days of the discovery of the fraud or illegal conduct.

If a political subdivision has outstanding fines due when filing its first annual financial statement after January 1, 2023, the Director of the Department of Revenue (DOR) will make a one-time downward adjustment of the total amount due by no less than 90%. In addition, the Director of DOR has the authority to make a onetime downward adjustment to any fine he or she deems uncollectible.

§§115.635, 115.637 & 578.712 - This proposal modifies provisions relating to elections, with penalty provisions.

§192.257 - This bill provides that any local public health agency that imposed a fine or other monetary penalty against any individual, business or church for failure to comply with a COVID-19 health order, after March 12, 2020 and before the effective date of this proposal, shall return all monies collected from the individual, business or church as a result of the fine or penalty. The local public health agency shall return such monies before November 1, 2023.

A local public health agency that imposes a fine or other monetary penalty for failure to comply with a COVID-19 health order on or after the effective date of this proposal shall return all moneys collected from the individual, business or church including court costs and legal fees up to two hundred fifty dollars per penalty imposed. The local public health agency shall return such moneys within sixty days of the collection of the moneys. These provisions do not apply to fines or penalties not directly related to failure to comply with a COVID-19 order, except under certain circumstances.

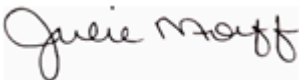
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Cole County
Kansas City
Jackson County
Phelps County Sheriff's Office
Branson Police Department
Kansas City Police Department
St. Louis County Police Department
City of Springfield
Office of Administration
 Administrative Hearing Commission
 Budget and Planning
 Office of the Commissioner

Department of Social Services
Northwest Missouri State University
State Tax Commission
Office of the State Courts Administrator
Attorney General's Office
Department of Higher Education and Workforce Development
Department of Economic Development
Department of Mental Health
Department of Natural Resources
Missouri Department of Agriculture
Missouri Department of Transportation
Missouri National Guard
MoDOT & Patrol Employees' Retirement System
Petroleum Storage Tank Insurance Fund
Office of the State Treasurer
University of Missouri System
Office of the Secretary of State
Department of Labor and Industrial Relations
Joint Committee on Administrative Rules
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
City of O'Fallon
Department of Health and Senior Services
Department of Public Safety
Office of the Governor
City of Osceola
Jackson County Board of Elections
Kansas City Board of Elections
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Lincoln County Assessor's Office
Department of Commerce and Insurance
Missouri Ethics Commission
Greene County Clerk's Office
Department of Corrections
Office of the State Public Defender
Department of Elementary and Secondary Education
City of Urich
Missouri Department of Conservation
Kansas City Health Department
Newton County Health Department
St. Louis County Health Department
Kansas City Civilian Police Employees' Retirement

Kansas City Police Retirement System
Kansas City Public School Retirement System
Public Education Employees' Retirement System
Osceola Water/Wastewater
Pulaski County Sewer District #1
South River Drainage District
St. Charles County PWSD #2
Wayne County PWSD #2
Clay County Auditor's Office
Sheriff's Retirement System
Metropolitan St. Louis Sewer District
University of Central Missouri
Missouri House of Representatives
Joint Committee on Education
Joint Committee on Public Employee Retirement
Legislative Research
Oversight Division
Missouri Senate
Missouri Office of Prosecution Services
Missouri State Employee's Retirement System
Daniel Boone Regional Library
Department of Revenue
County Employees' Retirement System
Office of the State Auditor
City of Claycomo
Callaway County SB 40 Board
Christian County Auditor's Office
St. Louis City
Missouri Higher Education Loan Authority
Metropolitan St. Louis Sewer District Employees Pension Plan



Julie Morff
Director
April 11, 2024



Ross Strobe
Assistant Director
April 11, 2024