

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4640-01  
Bill No.: HB 1273  
Subject: Buses; Education, Elementary and Secondary; Merchandising Practices; Boards, Commissions, Committees, Councils  
Type: Original  
Date: February 3, 2012

Bill Summary: This proposal allows school districts to lease advertising space on school buses.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Transportation** anticipate no fiscal impact at this time.

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 \$2,500.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education** state there would be no fiscal impact to the state. If passed, local school districts could receive some additional funding.

Officials from the **Mexico School District** state that exact fiscal impact cannot be determined at this time, although the proposal would create an additional revenue stream to the district.

Officials from the **Special School District of St Louis County (SSD)** assume this proposed legislation would have a significant favorable fiscal impact on their district. Based on information from other states, SSD could earn \$300,000 -\$400,000 per year from bus advertising on their 150 buses.

Officials from the **Parkway School District** assume no fiscal impact.

**Oversight** assumes this proposal is permissive. It is unknown how many districts might

ASSUMPTION (continued)

participate as a result of this proposal. For fiscal note purposes only, Oversight will assume a positive fiscal impact of Unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
---	---------------------	---------	---------

**LOCAL POLITICAL SUBDIVISIONS**

<u>Income</u> - School Districts - Advertising revenue	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
--	----------------	----------------	----------------

<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>
---	-----------------------	-----------------------	-----------------------

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

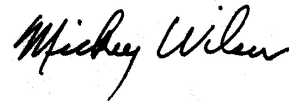
FISCAL DESCRIPTION

This proposed legislation requires the State Board of Education within the Department of Elementary and Secondary Education to promulgate rules and regulations authorizing local school boards to lease advertising space on the interior and exterior of school buses.

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 Elementary and Secondary Education  
Department of Transportation  
Office of Attorney General  
Office of Secretary of State  
    Administrative Rules Division  
Joint Committee on Administrative Rules  
School Districts  
    Mexico  
    Special School District of St Louis County  
    Parkway



Mickey Wilson, CPA  
Director  
February 3, 2012