

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0309-04
Bill No.: SCS for SB 174
Subject: Banks and Financial Institutions; Boards, Commissions, Committees, Councils;
 Children and Minors; Higher Education; Elementary and Secondary Education;
 Disabilities; Health Care; State Treasurer
Type: Original
Date: February 13, 2015

Bill Summary: This proposal establishes the Missouri Achieving a Better Life Experience Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Could exceed \$137,746)	(Could exceed \$100,000)	(Could exceed \$100,000)
Total Estimated Net Effect on General Revenue	(Could exceed \$137,746)	(Could exceed \$100,000)	(Could exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version of this proposal, officials from the **Department of Revenue (DOR)** assumed the proposal, which creates the Missouri Achieving a Better Life Experience (ABLE) program, allows for a subtraction of up to \$8,000 (single) to determine Missouri Adjusted Gross Income or \$16,000 if married filing combined for contributions made under a participation agreement. DOR states that the administrative impact of this proposal will require additional FTE as well as forms and programming changes to implement. DOR is requesting two Tax Collection Technicians (\$26,652 each/annually) for collections and tax assistance, as well as 503 (\$75/per hour) contract hours of IT costs.

Oversight assumes that DOR can absorb the increased administrative workload from this newly created tax deduction through the ABLE program. If DOR cannot handle the increase workload with existing staff additional FTE can be requested through the appropriations process.

In addition, Oversight assumes that with as few as 100 tax returns annually, total state revenue could be decreased by \$100,000. For fiscal note purposes, Oversight will show a loss of income tax revenue that could exceed \$100,000 per fiscal year.

In response to a previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** stated 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 \$2,500. 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 the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Economic Development**, the **Joint Committee on Administrative Rules**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Higher Education**, the **Missouri Senate**, the **Department of Elementary and Secondary Education**, and the **Office of Administration** each assume the current proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

Officials from the **Office of the Governor** state that there should be no added cost to their office as a result of this provision. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

In response to a previous version of this proposal, officials from the **Office of the State Treasurer**, the **Missouri House of Representatives** and the **Department of Health and Senior Services** assumed the proposal would not fiscally impact their respective agencies.

This proposal could reduce Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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GENERAL REVENUE

Costs - DOR

Contracted Programming Costs	(\$37,746)	\$0	\$0
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Loss - DOR

Decrease in income tax revenue	<u>(Could exceed \$100,000)</u>	<u>(Could exceed \$100,000)</u>	<u>(Could exceed \$100,000)</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Could exceed \$137,746)</u>	<u>(Could exceed \$100,000)</u>	<u>(Could exceed \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

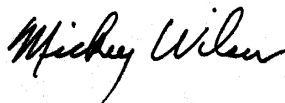
FISCAL DESCRIPTION

This proposal creates the "Missouri Achieving a Better Life Experience Program". Under this proposal, a person may make tax-deductible contributions to an account established for the purpose of financing the qualified disability expenses of a beneficiary.

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 Insurance, Financial Institutions and Professional Registration
Office of the State Treasurer
Department of Higher Education
Department of Elementary and Secondary Education
Office of the State Treasurer
Joint Committee on Administrative Rules
Department of Health and Senior Services
Office of Administration
Department of Economic Development
Missouri House of Representatives
Department of Revenue
Office of the Governor
Missouri Senate



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February 13, 2015

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February 13, 2015