

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0713-01
Bill No.: HB 332
Subject: Cities, Towns, and Villages; Transportation; Crimes and Punishment
Type: Original
Date: January 15, 2015

Bill Summary: This proposal reduces the threshold for the general operating revenue coming from traffic fines for cities, towns, villages, or counties from 30% to 10%.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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 6 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

*Distribution increase (decrease) net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at **Monroe County** assume an unknown negative cost to their county from this proposal.

Officials at the **Office of the Secretary of State (SOS)** assume 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 at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **State Tax Commission**, the **Department of Elementary and Secondary Education**, the **Missouri Department of Transportation**, the **Office of the State Courts Administrator**, the **Department of Revenue** and the **Office of the State Auditor** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **City of Kansas City**, the **City of Columbia**, **St. Louis County**, **Kansas City Public Schools** and the **Special School District of St. Louis County** each assume no fiscal impact to their respective entities from this proposal.

ASSUMPTION (continued)

Oversight inquired with officials at the Department of Revenue regarding the amounts that have been redirected from local political subdivisions to schools for traffic fines because of the 30 percent limit. These were the amounts:

Year	Amount
2011	\$19,205.47
2012	\$107.07
2013	\$0.00
2014	\$5,000.00

The applicable percentage has changed twice in the last ten years. In 2009, it changed from 45 percent to 35 percent, and in 2013, it changed again to the current 30 percent.

Oversight assumes that there are local political subdivisions that could potentially realize more than 10% of their annual general operating revenues from traffic fines. This could result in increased revenues being diverted to schools and a loss in revenue to local political subdivisions. Oversight assumes this impact would net to zero across all local political subdivisions, collectively; however, Oversight does not have an estimate of the amount.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> - School districts receiving a redistribution of excess traffic fines and court cost revenue.	Unknown	Unknown	Unknown
<u>Loss</u> - Local Political Subdivisions receiving more than 10% of their annual general operating revenues from traffic fines must forfeit a portion to local school districts.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

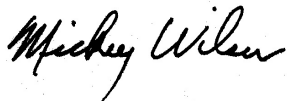
FISCAL DESCRIPTION

Currently, if any city, town, village, or county receives more than 30% of its annual general operating revenue from fines and court costs for traffic violations, including amended charges from any traffic violation, all revenues in excess of 30% must be sent to the Director of the Department of Revenue and must be distributed annually to the schools of the county in the same manner that proceeds of all penalties, forfeitures, and fines collected for any breach of the penal laws of the state are distributed. This bill changes the threshold from 30% to 10%.

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

SOURCES OF INFORMATION

Office of the Secretary of State
Office of the Attorney General
Office of the State Courts Administrator
Department of Revenue
Missouri Department of Transportation
Department of Elementary and Secondary Education
Office of the State Auditor
State Tax Commission
City of Kansas City
City of Columbia
St. Louis County
Kansas City Public Schools
Special School District of St. Louis County
Monroe County



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January 15, 2015

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