

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0752-01
Bill No.: HB 204
Subject: Bonds - General Obligation and Revenue; Education, Elementary and Secondary
Type: Original
Date: February 9, 2015

Bill Summary: This proposal changes the laws regarding the sale of general obligation bonds.

FISCAL SUMMARY

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

Officials from the **Department of Economic Development - Division of Business and Community Services, Missouri Housing Development Commission, Division of Energy, and Missouri Development Finance Board, the Department of Insurance, Finance and Professional Registration, the Department of Revenue - Division of Taxation, the Office of Administration** and the **Office of Missouri State Auditor** each assume this proposed legislation will have no fiscal impact on their respective agencies.

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 act. The SOS's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, 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 their office can sustain with their core budget. Therefore, 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 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.

Officials from the **Office of State Treasurer (STO)** state that the provisions of this bill relating to the STO are outside the scope of office's current duties. STO presently does not have any staff assigned to analyzing the Municipal Bond Market and providing advice and therefore will need an FTE to perform these duties. In addition to this analyst, STO anticipates the complexities of this market and the demands from municipalities will require a junior analyst. These two FTE and this new duty will create enough of a demand for clerical work to exceed existing capacity, requiring an additional clerical position.

ASSUMPTION (continued)

Oversight assumes the legislation is permissive in that the State Treasurer may provide technical and advisory assistance. Oversight assumes the STO would not offer these services unless funding for the needed positions was obtained through the appropriations process. For fiscal note purposes only, Oversight will assume no impact.

Officials from the **City of Columbia** assume no fiscal impact to their local political subdivision.

Officials from the **County of St. Louis** state that this proposal could potentially lower the amount of taxes the County could collect for payment of general obligation bond debt. With the language in this proposal, it is unclear to the County if it allows for the funding of a debt reserve.

Officials from the **Columbia Public Schools, Independence Public Schools, Kansas City Public Schools, County of St. Charles** and **City of St. Louis** did not respond to Oversight's request for fiscal impact.

<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
	<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

The proposed legislation appears to have no direct fiscal impact.

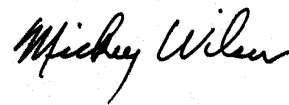
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
 Division of Business and Community Services
 Missouri Development Finance Board
 Missouri Housing Development Commission
 Division of Energy
Department of Finance, Insurance and Professional Registration
Department of Revenue
Joint Committee on Administrative Rules
Office of State Auditor
Office of Secretary of State
 Administrative Rules Division
Office of State Treasurer
City of Columbia
County of St. Louis

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February 9, 2015



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