

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6011-02  
Bill No.: HB 2777  
Subject: Fire Protection; Cities, Towns, and Villages  
Type: Original  
Date: April 4, 2016

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Bill Summary: This proposal modifies provisions of law regarding fire district taxation of property that cities have annexed.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Distribution increases (decreases) net to zero.

**FISCAL ANALYSIS**

**ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at the **Department of Health and Senior Services** assume no fiscal impact from this proposal.

Officials at the **Platte County Board of Election Commission** assume no fiscal impact from this proposal.

**Oversight** assumes this proposal modifies provisions of law regarding fire district taxation of property that cities have annexed. Oversight assumes municipalities would collect property taxes and then phase in a percentage of those property taxes to local fire protection districts. Oversight assumes there would be a decrease in property tax revenue to the municipality and an increase in property tax revenue to the local fire protection district over this phase in period which would net to zero for local political subdivisions. Therefore, Oversight will reflect this distribution of property tax revenues to local fire protection districts and the loss of property tax revenues to annexing cities netting to zero to local political subdivisions from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenues</u> - to Fire Protection Districts - from property taxes	Unknown	Unknown	Unknown
<u>Loss</u> - Annexing Cities - of revenues from property taxes	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, in St. Louis County, when a fire protection district services an area annexed by a city with a municipal fire department, the fire protection district continues to provide fire protection and emergency medical services to the area, the city pays to the fire protection district an amount equal to that which the fire protection district would have levied in the annexed area, and the annexed area is not subject to taxation by the fire protection district except for bonded indebtedness incurred prior to the annexation.

This bill specifies that for property within a fire protection district that is annexed by a city after the effective date of the bill, the fire protection district must continue to provide services to the annexed area, and the annexed property must continue to be subject to taxation by the fire protection district and not to the city for fire protection and emergency medical services.

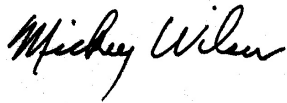
The amount that the city must pay to the fire protection district must be phased out, and the amount the annexed area must pay to the fire protection district must be conversely phased in, until only the annexed area pays the fire protection district. The annexed area must not be subject to taxation by the city for fire protection and emergency medical services. The phase out will not become effective until approved by the voters in the annexed area.

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

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SOURCES OF INFORMATION

Department of Health and Senior Services  
Platte County Board of Election Commission



Mickey Wilson, CPA  
Director  
April 4, 2016

Ross Strobe  
Assistant Director  
April 4, 2016