

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4358-01
Bill No.: HB 1475
Subject: Cities, Towns and Villages; St. Louis County; Taxation and Revenue - General;
 Courts; Civil Procedure; Courts
Type: Original
Date: January 5, 2018

Bill Summary: This proposal modifies provisions regarding municipal court procedure and the revenue collected from certain municipal ordinance violations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** assume this legislation will have a significant positive fiscal impact on the City in an indeterminate amount.

Officials at the **Office of State Auditor** assume no fiscal impact from this proposal. Any impacts may be absorbed through current appropriations.

Officials at the **Office of the State Courts Administrator** and the **Department of Revenue** each assume no fiscal impact to their respective agencies from this proposal.

Officials at **Boone County** assume no fiscal impact from this proposal.

Oversight inquired with officials at the Department of Revenue regarding the number of payments that have been redirected from local political subdivisions to schools for traffic fines; the annual totals were:

FY	Amount
2011	\$ 19,205
2012	\$ 107
2013	\$ 0
2014	\$ 5,000
2015	\$390,741
2016	\$ 64,151
2017	\$144,560

Oversight assumes that there are numerous local political subdivisions that could potentially not realize more than 30% of their annual general operating revenues due to this legislation removing municipal ordinance violations from the annual general operating revenues calculations. This could result in decreased revenues to schools and increased revenues to local political subdivisions. Oversight also recognizes there are numerous local political subdivisions that could be affected from the increases to maximum fine amounts. Therefore, Oversight assumes a direct fiscal impact to local political subdivisions of a positive unknown and a loss in revenues to school districts from this proposal.

ASSUMPTION (continued)

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cole, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Wayne, and Worth did not respond to **Oversight's** request for fiscal impact.

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark City, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles City Administrator, St. Louis City Budget Division, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenues</u> - Local Political Subdivisions - excluding municipal ordinance violation from general operating revenue calculation limits	Unknown	Unknown	Unknown
<u>Revenues</u> - Local Political Subdivisions - increases to maximum fine amounts and removes indigent exemptions	Unknown	Unknown	Unknown
<u>Loss</u> - School Districts - in revenue from a decrease in excess annual general operating revenues received	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill modifies provisions relating to revenues collected in minor traffic and municipal ordinance violations and municipal court procedure in such cases. The bill modifies the definition of the terms "annual general operating revenue" and "minor traffic violation" as applied in provisions regarding the assessment of fines in minor traffic violation and municipal ordinance violation cases. "Annual general operating revenue" now includes, rather than excludes, designated sales or use taxes, restricted user fees, grant funds, funds expended for technological assistance and other revenue designated for a specific purpose. "Minor traffic violation" now excludes, rather than includes, amended charges.

This bill specifies that a court shall not assess a fine and court costs in excess of \$500, rather than \$225, in minor traffic violations. For municipal ordinance violations committed within a 12-month period, a court shall not assess a fine and court costs in excess of \$300 for second offense ordinance violations, rather than \$275, \$400 for third offense ordinance violations, rather than \$350, and \$500 for fourth and subsequent ordinance violations, rather than \$450.

FISCAL DESCRIPTION (continued)

The bill repeals certain exemptions from paying court costs in minor traffic violations and municipal ordinance violations for defendants who are indigent. Currently, not more than 30% of a municipality's annual general operating revenue can come from certain fines, penalties, and forfeitures. The bill repeals court costs for municipal ordinance violations from being included in the 30% calculation. This bill also removes a provision specifying that beginning January 1, 2016, the 30% limitation on municipal income shall be reduced to 20% except in St. Louis county, where it shall be reduced to 12.5%.

Currently, a county or town with a municipal court is required to file with the State Auditor a report demonstrating compliance with certain municipal court procedures. This bill repeals the requirement that the court establish procedures to allow indigent defendants to present evidence of their financial condition. The bill also repeals the municipal court requirements that community service alternatives are to be offered at no cost to the defendant, and that no additional charge shall be issued for the failure to appear for a minor traffic violation. Finally, the bill repeals provisions which provide procedures to dissolve a municipal government when it fails to remit the revenue collected from certain fines, penalties, and forfeitures in excess of 20% to the Department of Revenue.

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

City of Kansas City
Department of Revenue
Office of State Auditor
Office of the State Courts Administrator
Boone County

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director
January 5, 2018