

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5051-03  
Bill No.: SCS for HB 1442  
Subject: National Guard; Planning and Zoning; Cities, Towns and Villages; Compacts; Counties; County Government; Political Subdivisions; Public Officers; Retirement Systems and Benefits-General; Kansas City; Utilities; Elections; Taxation and Revenue-General County Officials; Law Enforcement Officers and Agencies; Governor and Lieutenant Governor; Education, Elementary & Secondary; Water Resources and Water Districts; Waste-Solid  
Type: Original  
Date: April 9, 2018

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Bill Summary: This proposal modifies provisions relating to local government.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	\$0	\$0 or Up to \$14,375	\$0 or Up to \$19,034
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0 or Up to \$14,375</b>	<b>\$0 or Up to \$19,034</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<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 22 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>Unknown to (Unknown)</b>	<b>Unknown, less than \$1,428,456</b>	<b>Unknown, less than \$1,882,363</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to similar legislation from this year, SS/SB 704 the following was stated:

§§49.020, 67.617, 71.015

In response to a previous version, officials at **Boone County** assumed no fiscal impact from this proposal.

§§50.660, 50.783

In response to similar legislation from this year, HB 2416, officials at **Boone County** assumed no fiscal impact from this proposal.

**Oversight** assumes by raising the competitive bidding amount requirements, there could be a savings to counties in advertising for bids. However, Oversight is unclear on the amount of savings. Therefore, Oversight will reflect a positive unknown to county funds for this proposal.

§§ 56.363 - 56.840 PACARS

In response to a similar proposal (HB 2322), officials from the **Joint Committee on Public Employee Retirement (JCPER)** stated the proposal may constitute a substantial proposed change in future plan benefits as defined in Section 105.660(10), RSMo. On March 7, 2018, an actuarial cost statement was filed with the Chief Clerk of the Missouri House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information.

PACARS Current System Status: (as of July 1, 2016)

Market Value:	\$37,851,019	Funded Ratio:83.9%
Actuarial Value:	\$37,851,019	Funded Ratio: 83.9%
Liabilities:	\$45,074,928	

Recommended contribution for 2016/2017: \$2,037,365

ASSUMPTION (continued)

Anticipated contribution for 2016/2017:

Expected Monthly County Contribution	\$ 860,030
Expected \$4 Surcharge Contribution	\$1,248,337
Interest Credit	<u>\$ 72,545</u>
Total Anticipated 2016 Contribution	\$2,180,912

Current Monthly County Contribution:

1st Class Counties	\$646
2nd Class Counties	\$271
3rd Class Counties	\$187
4th Class Counties	\$187

Covered Payroll: \$9,910,390

In response to a similar proposal (HB 2322), officials from the **Prosecuting and Circuit Attorney's Retirement System (PACARS)** stated they have reviewed the bill and, based on that review, state we are of the view that the bill was intended by the drafters to be at least revenue neutral, and, possibly, to improve the future fiscal health of the system, as compared to the existing statutory provisions.

There are provisions in the bill which correlate the way in which creditable service is accumulated more closely with the way the retirement benefits are calculated, so as to make the contributions to the system more closely relate to the expected retirement payments. Also, the bill requires new full time prosecutors to contribute to their retirement funds, in a manner similar to other retirement systems.

The bill also addresses certain issues presented by the current language of Sections 56.800 et seq. For example, the current language now allows members who qualified for a retirement benefit as a part-time prosecutor, and returned to serve as a full time prosecutor, to obtain a retirement benefit equal to 50% of the Final Average Compensation as a full time prosecutor. Provisions in SB 892 and HB 2322 would make the benefits and the payments into the System correspond. In this way the bill addresses a "loophole" which currently allows certain members to qualify for a retirement benefit which costs the System more than the payments into the system would have "paid for". According to the System's actuaries, each such individual currently reduces the System's funded ratio by 1%. The bill also addresses transfers of creditable service between the System, and other retirement systems of the State, as well as the effect of returning to work as a prosecutor after leaving the position (having already fully vested) for a significant period of time.

ASSUMPTION (continued)

**Oversight** assumes, based on the response from PACARS, that the proposal will have no fiscal impact on PACARS. Oversight also assumes this proposal is **not** making changes to section 56.807 that would change the monthly contributions from counties or from the City of St. Louis into PACARS; therefore, Oversight will not show a fiscal impact to local governments.

§§65.610, 65.620

In response to similar legislation from this year, SB 940, officials at **Dade County** assumed at the time the County was a township form of government, the County generated approximately \$500,000 in road tax per tax collecting year. Each township had their own distinct levy which lead to the approximate amount. Now that the County is not a township form of government, the County is allowed by statute to collect the lowest township tax that was in place prior to the abolishment, or \$.22. This generated approximately \$250,000 per year. In the upcoming General Municipal Election, April 3, 2018, the County will be asking for a \$.50. That proposed amount will generate approximately \$588,000 per year.

In response to similar legislation from this year, SB 940, officials at **Stoddard County** assumed a negative unknown fiscal impact. There are 7 townships in the County.

In response to similar legislation from this year, SB 940, officials at **Linn County** assumed this legislation would not have a fiscal impact, as long as, the new tax collected is equal to what the township was receiving before abolishment.

**Oversight** assumes that with the removal of subsection 65.620.4 could allow the county to immediately set a rate on the ballot that would allow the county to collect an amount which is equal to the current amount being collected by the townships for road and bridge funding. Under current law the affected county's tax rate is, for a year, the lowest tax rate charged by any of the former townships within the county. This removal also allows the question to be answered at the time it is put on the ballot, instead of waiting an extra amount of time, even up to a calendar year, to set the rate. Oversight assumes this could prevent a decrease in road and bridge funding for counties which would abolish townships compared tor current statute. Oversight assumes the language in this proposal could avert losses of road and bridge funds by counties which abolish the township form of government. Therefore, Oversight will reflect a \$0 (if no abolition of townships or the county does not choose to have an election to set tax rates) or a positive unknown (if there is an abolition of townships and the county government has a successful election to set a countywide property tax rate for roads and bridges) for this proposal.

ASSUMPTION (continued)

§84.510

In response to a previous version, officials at the **Office of Administration Budget and Planning Division** assume this increases statutory minimum salaries for a number of KCPD positions. B&P defers to the KCPD for an estimated fiscal impact.

In response to similar legislation from this year, HB 2070, officials at the **Kansas City Police Department (KCPD)** assumed the change to the base annual compensation ranges will not have any current fiscal impact. It provides a cushion for salary growth.

**Oversight** assumes this proposal changes the following salary ranges for the members of the KCPD per annum.

Lieutenant Colonels - from \$71,969 to \$133,888; to the new salary range of \$71,969 to \$146,124  
Majors - from \$64,671 to \$122,153; to the new salary range of \$64,671 to \$133,320  
Captains - from \$59,539 to \$111,434; to the new salary range of \$59,539 to \$121,608  
Sergeants - from \$48,659 to \$97,086; to the new salary range of \$48,659 to \$106,560  
Master Patrol Officers - from \$56,304 to \$87,701; to the new salary range of \$56,304 to \$94,332  
Master Detectives - from \$56,304 to \$87,701; to the new salary range of \$56,304 to \$94,332  
Detectives, Investigators, and Police Officers - from \$26,643 to \$82,619; to the new salary range of \$26,643 to \$87,636

**Oversight** notes the KCPD requested 1,367 law enforcement positions (non-civilian) for their FY 2018-2019 budget. Oversight is unable to determine how many KCPD members are within each personnel category, how many are at the top of their salary range, and whether or not the City of Kansas City would provide raises to the members of the KCPD in future years.

**Oversight** will reflect \$0 to an Unknown cost to the City of Kansas City as a direct result of this proposal.

§94.900

In response to similar legislation from this year, SB 885, officials at the **Office of Administration's Division of Budget and Planning (B&P)** assumed this proposal allows voters in the City of Centralia to impose a sales tax up to 0.50% for the purpose of funding public safety for the city. Using forecast estimates for statewide average growth in local sales taxes and state taxes (including food), the estimated average growth for FY 2018 and FY 2019 is 2.5% and 1.90%, respectively. Budget and Planning estimates the City of Centralia FY 2019 taxable sales

ASSUMPTION (continued)

totals \$40 million. The bill indicates that this sales tax would take effect starting April 1, thus only impacting Q4 of FY 2019 sales collections. With estimated Q4 sales collections of \$10.1 million, this proposed sales tax could generate approximately \$51,349 for the city for FY 2019. As a voter approved tax, the collected revenues will not impact General and Total State Revenues; however, DOR will retain 1% to offset collection costs. Therefore, that portion could increase General and Total State Revenues by approximately \$509 in FY 2019.

Using the same methodology to estimate FY 2020 and FY 2021 sales, we estimate taxable sales in the City of Centralia to total \$40.7 million in FY 2019. This proposed sales tax might generate approximately \$201,397 for the city in FY 2020, and annually thereafter. The collected revenues will have no impact on General and Total State Revenues; however, DOR will retain 1% to offset collection costs. Therefore, General and Total State Revenues could increase by approximately \$2,034 in FY 2020 and annually thereafter if the county sales tax is approved.

B&P defers to DOR for estimates of actual collection costs.

In response to similar legislation from this year, HCS for HB 2186, officials at the **City of Centralia** assumed the City would reap almost all of the revenue, except the small percentage retained by the Department of Revenue for collection and disbursement. A ½ cent sales tax is anticipated to raise \$210,000 annually for the City of Centralia. Most of those funds would come from expenditures by Centralia residents.

**Oversight** notes this proposal would give the City of Centralia the option to vote to increase their local sales tax by .50% in order to fund public safety. Oversight notes the effective date of this proposal would be August 28, 2018. Oversight assumes this question would be put before voters at the general municipal election in April 2019 (FY 2019). Therefore, the earliest the sales tax could become effective would be the first day of the second calendar quarter after the Department of Revenue is notified of voter approval. In this case, the earliest effective date assuming voter approval at the April 2019 general municipal election would be October 1, 2019 (FY 2020).

Therefore, only nine months of taxes would be collected in FY 2020.

**Oversight** notes that if the proposal is adopted DOR would be allowed to keep 1% of the amount of sales tax collected to cover their expenses. Oversight notes that DOR would retain \$2,034. Oversight will show the fee as \$0 (no sales tax increase is adopted by voters) to up to the amount listed for the City.

ASSUMPTION (continued)

For fiscal note purposes, **Oversight** will indicate a range of additional local government revenue from \$0 (the sales tax is not adopted by the City of Centralia and/or voters fail to approve the sales tax) to up to \$201,397 for a full year of tax collections estimated by B&P.

City of Centralia - Taxable Sales Report	
FY 2017	\$19,490,976 (6 month total)
FY 2016	\$38,458,884
FY 2015	\$37,677,040

Source: Department of Revenue website

City of Lebanon

In response to similar legislation from this year, HB 2712, officials at the **Office of Administration Division of Budget and Planning (B&P)** assumed the stated intent of this proposal is to allow voters in the City of Lebanon to impose a sales tax up to 0.50% for the purpose of funding public safety for the city. Using forecast estimates for statewide average growth in local sales taxes and state taxes (including food), the estimated average growth for FY 2018 and FY 2019 is 2.50% and 1.90%, respectively.

Budget and Planning estimates the City of Lebanon's FY 2019 taxable sales at \$363 million. The bill indicates that this sales tax would take effect starting April 1, thus only impacting Q4 of FY 2019 sales collections. For the City of Lebanon, with estimated Q4 sales collections of \$90.8 million, this proposed sales tax could generate approximately \$454,298 for the city for FY 2019. As a voter approved tax, the collected revenues will not impact General and Total State Revenues; however, DOR will retain 1% to offset collection costs. Therefore, that portion could increase General and Total State Revenues by approximately \$4,543 in FY 2019.

Using the same methodology to estimate FY 2020 and FY 2021 sales, we estimate taxable sales in the City of Lebanon to total \$363 million. This proposed sales tax might generate approximately \$1.8 million for the city in FY 2020, and annually thereafter. The collected revenues will have no impact on General and Total State Revenues; however, DOR will retain 1% to offset collection costs. Therefore, General and Total State Revenues could increase by approximately \$18,172 in FY 2020 and annually thereafter if the county sales tax is approved.

Budget and Planning defers to DOR for more specific estimates of actual collection costs.



ASSUMPTION (continued)

Officials at the **City of Lebanon** assume they would generate approximately \$1,700,000 annually in sales tax if adopted.

**Oversight** notes this proposal would give the City of Lebanon the option to vote to increase their local sales tax by .50% in order to fund public safety. Oversight notes the effective date of this proposal would be August 28, 2018. Oversight assumes the question would be put before the voters at the general municipal election in April 2019 (FY 2019). Therefore, the earliest the sales tax could become effective would be the first day of the second calendar quarter after the Department of Revenue is notified of voter approval. In this case, the earliest effective date assuming voter approval at the April 2019 general municipal election would be October 1, 2019 (FY 2020). Therefore, only nine months of taxes would be collected in FY 2020.

**Oversight** notes that if the proposal is adopted DOR would be allowed to keep 1% of the amount of sales tax collected to cover their expenses. Oversight notes that DOR would retain \$17,000. Oversight will show the fee as \$0 (no sales tax increase is adopted by voters) to up to the amount listed for the City.

For fiscal note purposes, **Oversight** will indicate a range of additional local government revenue from \$0 (the sales tax is not adopted by the City of Lebanon and/or voters fail to approve the sales tax) to up to \$1,700,000 for a full year of tax collections estimated by the City of Lebanon.

City of Lebanon - Taxable Sales & Use Report	
FY 2017	\$173,735,023 (6 month total)
FY 2016	\$351,609,337
FY 2015	\$340,006,611

Source: Department of Revenue website

ASSUMPTION (continued)

§115.124

In response to similar legislation from this year, HB 1446, officials from the **Kansas City Election Board**, **St. Louis County Board of Election Commissioners**, **Buchanan County** and **Boone County** each assumed the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes this proposal would allow cities, towns, or villages with less than 2,000 (changed from 1,000) inhabitants to skip local elections if the number of open seats equals the number of candidates running for those seats. We are unable to determine the number of cities, towns, or villages that would not participate in those elections; therefore, Oversight will show the fiscal impact to the Local Election Authorities (LEA) as a savings of \$0 or Unknown.

§162.441

In response to similar legislation from this year, SB 990, officials at **Kirksville R-III School District** assume no fiscal impact from this proposal.

**Oversight** will reflect a potential fiscal impact to community college districts for costs of holding the elections.

§227.601

**Oversight** assumes concession agreements between the commission (the MO Highway and Transportation Commission) and a political subdivision would have no local fiscal impact without action by the governing body of the political subdivision which shall be subject to voter approval if required by law. Oversight will not reflect a fiscal impact to Local Political Subdivisions from this proposal.

§304.060

**Oversight** assumes this proposal allows school districts to enter into contracts with municipalities to provide transportation to students. Oversight assumes this proposal is permissive and will not show a fiscal impact.

In response to similar legislation from this year, SB 756 the following was stated:

Officials at the **Mississippi County Recorder of Deeds Office** assume this proposal could have an impact on this office if this bill isn't passed. That impact could be as much as \$45,000.00 to \$49,000.00 dollars for the county general revenue. Should the "Statutory County Recorder's

ASSUMPTION (continued)

Fund" run dry then the impact would cost this county the amounts that was previous talked about. The Mississippi County Recorder's Office annual budget is in the neighborhood of \$70,000, so this would have a huge impact in the event that this fund should run dry. Back in 2002 several counties elected to split the offices of Circuit Clerk and Recorder of Deeds with the promise that the State would help subsidize those offices. This bill will not allow the counties to get their full subsidy, but will allow the counties to be able to continue receiving some support from the state.

**Oversight** inquired the Mississippi County Recorder of Deeds Office. If this proposal is enacted, there will be a decrease in the amount of subsidies received from the state for the County. The decrease would be a small impact to the County between \$5,000 and \$7,000 per year. Oversight assumes that multiple counties could be affected from this legislation. Oversight also assumes the reduction in losses to counties will be less than under current law. Therefore, Oversight will reflect an unknown reduction in loss to County Recorder of Deeds Offices.

Bill as a Whole

Officials at the **Summersville R-2 School District** assume a negative cost of less than \$100,000 per year.

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**, the **Missouri Department of Transportation**, the **Department of Elementary and Secondary Education**, the **Department of Economic Development**, the **Office of the Secretary of State** and the **State Tax Commission** each assume no fiscal impact to their respective agencies from this proposal.

In response to a previous version, officials at the **Department of Revenue**, the **Department of Higher Education** and the **Office of the Governor** each assumed no fiscal impact to their respective agencies from this proposal.

Officials at **St. Louis County**, the **City of Kansas City**, the **Jackson County Board of Election Commission**, the **Platte County Board of Election Commission**, the **Wellsville-Middletown R-1 School District** and the **Missouri Western State University** each assume no fiscal impact to their respective entities from this proposal.

ASSUMPTION (continued)

In response to a previous version, officials at **Missouri State University** and the **State Technical College of Missouri** each assumed no fiscal impact to their respective entities from this proposal.

Responses to SCS for HB 1442

Officials from the **Office of the Governor** assume the proposal should have no added fiscal impact on their respective organization. However, if additional duties are placed on the office related to appointments in other Truly Agreed To and Finally Passed legislation, coupled with shortened time frames to make gubernatorial appointments, there may be a need for additional staff resources in future years.

Officials from the **Office of Prosecution Services** assume the proposal will have no measurable fiscal impact on their organization.

Officials from the **Office of the Secretary of State, Office of State Courts Administrator, Department of Natural Resources, Department of Revenue, Missouri Lieutenant Governor, Department of Elementary and Secondary Education, Missouri State Employees' Retirement System, Department of Public Safety-State Emergency Management Agency, Missouri Tax Commission, Legislative Research-Office of the Revisor, Department of Public Safety-Missouri National Guard, Department of Natural Resources, and Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Jackson County Board of Election Commissioners** and **City of Kansas City** both assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Springfield Police Department** and **Joplin Police Department** both assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Missouri State University** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Platte County Board of Election Commissioners, Kansas City Election Board, and St. Louis County Board of Election Commissioners** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

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.

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

Officials from the following **law enforcement agencies**: the Ashland Police Chief, Boone County Sheriff's Department, Branson Police Department, Buchanan County Sheriff's Department, Cass County Sheriff's Office, Clark County Sheriff's Department, Clay County Sheriff's Department, Cole County Sheriff's Department, Columbia Police Department, Independence Police Department, Greene County Sheriff's Department, Independence Police Department, Jackson County Sheriff's Department, Jasper County Sheriff's Department, Jefferson City Police Department, Jefferson County Sheriff's Department, Lawrence County Sheriff's Department, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Department of Police, the St. Louis Metropolitan Police Department and St. Louis County Justice Services did not respond to Oversight's request for a statement of fiscal impact.

Officials from the following **colleges and universities**: Crowder, East Central, Harris-Stowe, Jefferson College, Kansas City Metropolitan Community College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Missouri Western State, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, State Technical College of Missouri, St. Louis Community College, Three Rivers Community College, Truman State University, the University of Central Missouri and the University of Missouri did not respond to **Oversight's** request for a statement of fiscal impact.

ASSUMPTION (continued)

Officials from the following **school districts**: Alton R-IV, Arcadia Valley R-2, Ash Grove R-IV, Ava R-1, Avilla R-13, Bakersfield R-4, Belton School District #124, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Bradleyville R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Couch R-1, Crawford County R-1, Crawford County R-2, Crocker R-II, Delta C-7, East Carter R-2, East Lynne 40, East Newton R-6, Eldon R-I, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Gasconade County R-1, Glenwood R-8, Grain Valley, Green City R-1, Green Ridge R-8, Hallsville R-IV, Hancock Place, Hannibal School District #60, Harrisonburg R-8, Harrisonville, Hartville R-11, Hazelwood, Henry County R-1, Hillsboro R-3, Holcomb R-III, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jasper R-5, Jefferson City, Kansas City, Kennett #39, King City R-1, Kirbyville R-VI, Kirksville, Lathrop R-2, Lee Summit, Leeton R-10, Lewis County C-1, Liberty, Lincoln R-2, Lindbergh, Lonedell R-14, Macon County R-1, Macon County R-IV, Madison C-3, Malta Bend, Maplewood Richmond Heights, Marshfield R-1, Maryville R-II, Maysville R-1, Meadville R-IV, Mehville School District R-9, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Miller R-11, Moberly, Montgomery County R-11, Morgan County R-2, Mountain Grove R-III, Mt. Vernon R-V, New Bloomfield R-III, New Haven, Niangua R-5, Nixa, North Harrison R-3, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Northwest R-1, Oak Ridge R-6, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County, Osage R-2, Osborn R-O, Parkway, Pattonville, Pettis County R-12, Pierce City R-6, Plato R-5, Polo R-VII, Prairie Home R-5, Princeton R-5, Purdy R-II, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Rich Hill R-IV, Richards R-5, Richland R-1, Richmond R-XVI, Riverview Gardens, Rockwood School District, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Scott City R-1, Sedalia, Seymour R-2, Shell Knob #78, Sherwood Cass R-5, Sikeston, Silex, Smithville R-2, South Harrison R-11, Southland C-9, Sparta R-III, Special School District of St. Louis County, Spickard R-II, Spokane R-VII, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Stanberry R-III, Stewartsville C-2, Sullivan, Summersville R-2, Sweet Springs, Trenton R-1x, Valley Park, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Warsaw R-IX, Waynesville, Webster Groves, Wellsville Middletown R-1, Wentzville R-IV, West Plains R-VII, Westran R-1, Westview C-6, Willard R-2 and the Wright City R-2 School District did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Additional Revenue</u> - DOR - 1% Collection charges Centralia (§94,900)	\$0	\$0 or Up to \$1,625	\$0 or Up to \$2,034
<u>Additional Revenue</u> - DOR - 1% Collection charges Lebanon (§94,900)	<u>\$0</u>	\$0 or Up to <u>\$12,750</u>	\$0 or Up to <u>\$17,000</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b>\$0 or Up to <u>\$14,375</u></b>	<b>\$0 or Up to <u>\$19,034</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Savings</u> - County Funds - raises the amount when advertising for bids (§§50.660, 50.783)	Unknown	Unknown	Unknown
<u>Savings</u> - County Funds - on road and bridge funding in counties with townships who abolish their government (§§65.610, 65.620)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Additional Revenues</u> - City of Centralia - additional half cent sales taxes for Public Safety (§94,900)	\$0	\$0 to Up to \$167,831	\$0 to Up to \$201,397
<u>Additional Revenues</u> - City of Lebanon - additional half cent sales taxes for Public Safety (§94,900)	\$0	\$0 to Up to \$1,275,000	\$0 to Up to \$1,700,000
<u>Savings</u> - Local Election Authorities - skip certain elections based on the number of open seats and number of candidates running (§115.124)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2019	FY 2020	FY 2021
<u>Cost</u> - City of Kansas City - Potential increased KCPD salaries (\$84.510)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - Collection Fee kept by DOR (\$94.900) Centralia	\$0	\$0 or (Up to \$1,625)	\$0 or (Up to \$2,034)
<u>Loss</u> - Collection Fee kept by DOR (\$94.900) Lebanon	\$0	\$0 or (Up to \$12,750)	\$0 or (Up to \$17,000)
<u>Cost</u> - Community College Districts - election costs regarding plan of attachment of the school district and the community college district (\$162.441)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>Unknown to (Unknown)</b>	<b>Unknown, less than \$1,428,456</b>	<b>Unknown, less than \$1,882,363</b>

FISCAL IMPACT - Small Business

There could be a direct fiscal impact to small businesses as a result of this proposal.

FISCAL DESCRIPTION

This act modifies several provisions relating to local government.

This act allows the governing bodies of Newton county and certain other counties to adopt ordinances regulating incompatible land uses and structures, as defined in the act, within an unincorporated area surrounding the boundaries of any National Guard training center, if the county has participated in the completion of a joint land use study for the training center.

The act establishes the law enforcement aid region consisting of Jasper and Newton Counties, the Joplin metropolitan area, and certain counties in the states of Oklahoma and Kansas that border Missouri. The act permits all law enforcement officers within the law enforcement aid region to respond to lawful requests for aid in critical incidents in any other jurisdiction in the law enforcement aid region. Any offender arrested or apprehended by an officer outside the officer's home state shall be delivered to the first officer who is commissioned in the jurisdiction in which



FISCAL DESCRIPTION (continued)

the arrest was made.

Currently, when there is a vacancy in the office of county commissioner, the Governor is required to fill such vacancy with a person who resides in the district at the time of vacancy. This act changes that process so that when there is less than one year remaining in the term, the vacancy shall be filled by appointment by the Governor within 60 days. If there is one year or more remaining in the term, the Governor shall appoint, within 60 days, an eligible person with the advice and consent of the Senate.

These procedures do not apply to charter counties.

Current law provides that counties are not required to advertise a request for bids for contracts and purchases of less than \$4,500 with any one person or corporation during a 90-day period. This act provides that the bidding requirement shall not apply to contracts or purchases involving expenditures of less than \$6,000.

Current law requires a county commission to seek competitive bids or proposals on single feasible source purchases of \$3,000 or more, and advertise for bids on such purchases of \$5,000 or more. This act requires the commission to seek bids and advertise on single feasible source purchases of more than \$6,000.

A County Treasurer may have access to documents in possession of county employees or officials upon request when reviewing a warrant.

This act changes provisions regarding the retirement system for prosecuting and circuit attorneys.

When a county votes to make the office of prosecuting attorney a full-time position then the position shall qualify for the same retirement benefits as a full-time prosecutor of a first class county and such county shall make the same contributions to the Prosecuting Attorneys and Circuit Attorneys' Retirement Fund (PACARS) as paid by a first class county.

The term "compensation" as used in the PACARS retirement statutes shall include any salary reduction amounts under a cafeteria plan or a deferred compensation plan, but not include reimbursement for any expenses, consideration for agreeing to terminate employment, or any unusual payment not part of regular work pay.

Beginning on January 1, 2019, all members who are eligible to receive an annuity equal to fifty percent of the final average compensation upon retirement will contribute two percent of their

FISCAL DESCRIPTION (continued)

salary to the fund, and beginning in the year 2020, such members shall contribute four percent of salary to the fund. Upon retirement and at the discretion of the board of trustees, a member can receive a lump sum of his or her total contribution not to exceed twenty-five percent of average pay, in addition to any retirement benefits.

A person who becomes a member on or after January 1, 2019, may retire with a normal annuity with twelve or more years of service and reaching the age of sixty-five. Upon termination of employment such member is entitled to a deferred normal annuity payable at age sixty.

A former member who has forfeited creditable service may have the service restored again, in addition to requirements under current law, by becoming a an employee within ten years of termination and contributing an amount to the retirement fund equal to any lump sum payment of contributions received upon termination of service.

All members serving in a county that has elected to make the position of prosecuting attorney a full-time position shall receive one year of creditable vesting service for each year served as a part-time or full-time prosecuting attorney. However, a member serving as a part-time prosecuting attorney shall receive six-tenths of a year of creditable benefit service for each year served. Any member who has less than twelve years of creditable benefit service upon retirement shall receive a reduced full-time benefit.

A member who vested as a part-time prosecuting attorney and ceased being a member for more than six months before returning as a full-time prosecuting attorney shall be entitled only to part-time benefits, and any creditable service earned as a full-time prosecutor shall begin a new vesting period. A member cannot receive benefits while employed as a prosecuting attorney.

This act creates a new process to occur when the annual average collected into the Statutory County Recorder's Fund is insufficient to meet its obligations. In that case, the fund is to be supplemented by another source or a new maximum county allocation is to be set, depending on whether the shortfall meets a certain threshold.

This act specifies that ballot questions to abolish the township form of government in a county shall also provide for a countywide tax for road and bridge purposes.

This act adds Franklin County to the compact between Missouri and Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan Development District.

FISCAL DESCRIPTION (continued)

This act raises the maximum compensation level for lieutenant colonels, majors, captains, sergeants, master patrol officers, master detectives, detectives, investigators, and police officers in Kansas City.

Currently, cities of the fourth classification may only sell their interest in a municipally-owned utility when ratified by a 2/3 vote. This act lowers the voter-approval threshold for the sale of a water or wastewater system, or a gas plant, by such cities to a majority vote. The Board of Aldermen shall hold a public meeting at least 30 days prior to any such vote.

This act adds the cities of Centralia and Lebanon to the list of cities authorized to propose a sales tax for the purposes of improving public safety. Such sales tax, if approved by the voters, would be at a rate of 0.5%.

Under current law, whenever any vacancy occurs in any office filled by election, other than the offices of Lieutenant Governor, state senator, state representative, sheriff, or St. Louis City Recorder of Deeds, the Governor is responsible for appointing a successor until the next general election. This act adds a new provision permitting the county commission to appoint a person to the vacated office within 14 days of the vacancy. In the event that the county commission consists of two members who cannot come to an agreement on an appointee, the acting presiding commissioner shall fill the vacancy. Such appointees shall continue in office until the Governor appoints a person to serve out the remainder of the term.

This provision does not apply to charter counties or to the offices of any associate circuit judge, circuit clerk, prosecuting attorney, or circuit attorney.

Under current law, whenever there is a special election to fill a vacancy in a state or county elected office, the person elected will take office on the first Monday in January following the election, except if the term for the office to be filled begins on a date other than the first Monday in January, in which case the appointed person will stay in office until such other date. This act removes the exception such that a person elected at a special election to fill a vacancy in any state or county elected office shall always take office on the first Monday in January following the election.

This provision does not apply to charter counties or to the offices of any associate circuit judge, circuit clerk, prosecuting attorney, or circuit attorney.

Under current law, any municipality with less than 1,000 inhabitants may adopt a proposal allowing for the waiver of any election to a nonpartisan office if the number of candidates for the

FISCAL DESCRIPTION (continued)

office is equal to the number of positions available and if no ballot measure is placed on the ballot. This act increases the population threshold to 2,000.

This act corrects the description of St. Francois County in a provision of law relating to expenditures of the county's special road and bridge tax moneys.

Under current law, in order for a school district to become attached to a community college district, a petition must be submitted to the school board of the school district signed either by voters of the district equal in number to ten percent of those voting in the last school election at which school board members were elected or by a majority of the voters of the district, at which point an election must be called. This act provides that a community college district may, by a majority vote of its board of trustees, propose a plan to the voters of the school district to attach the school district to the community college district, levy a tax rate equal to the rate applicable to the community college district at the time of the vote of the board of trustees, and call an election upon the question of such plan. The community college district shall be responsible for the costs associated with the election.

This act provides that stormwater facilities and systems and wastewater systems are added to the definition of "project" with regard to public-private partnerships.

Additionally, the act provides that the process and approval for concession agreements, as defined in the amendment, with regard to assets owned by a political subdivision shall be approved by the governing body of the political subdivision, and shall not be subject to approval by the State Highways and Transportation Commission.

The act specifies that political subdivisions may enter into concession agreements that meet certain requirements.

For any project approved by a political subdivision, the State Highways and Transportation Commission shall not be required to oversee the project, nor be required to submit a report on the project following an agreement between the Commission and a private partner, on condition that the political subdivision uses a public-private partnership framework that includes a competitive bidding process.

Except with regard to voter approval requirements for the sale or conveyance of a project, the amendment exempts concession agreements entered into by political subdivisions under the amendment from various statutes prescribing voter approval requirements, limits on agreement duration, required contractual provisions, direct utility rate regulation provisions, authority to

FISCAL DESCRIPTION (continued)

receive or convey assets, and requirements that ordinances or resolutions appropriating money for certain improvements be available for public inspection prior to their final adoption.

This act adds a reference to the existing voter approval requirements for imposing obligations on landowners to control brush on county rights of way and easements in certain counties, and specifies that the landowners shall prevent brush from interfering with vehicles traveling on the road.

Under the act, brush elimination costs charged against a parcel of land shall become due on the landowner's personal property tax assessment rather than becoming a lien on the land. The act specifies that notice by mail of brush elimination requirements may be given via any mail service with delivery tracking rather than only by certified mail.

This act provides that the county right of way or maintenance easement shall extend 15 feet from the center of the county road, or the distance set forth in the original conveyance, whichever is greater. In the event a county is required to obtain a land survey to enforce brush control provisions, the costs of the survey shall be divided evenly between the county and the landowner.

This act provides that the Kansas City Public Schools school board may contract with any municipality, bi-state agency, or other governmental entity to transport high school children. The contract shall be for additional transportation services and shall not replace or fulfill any of the school district's obligations to transport students to and from school. The school district may notify students of the option to use district contracted transportation services.

The proposal provides a method by which distributions from the statutory county recorder's fund will be allocated among counties if collections fall below distributions.

Currently, Missouri landowners have the right to have, use, and own private water systems and ground source systems any time and anywhere unless prohibited by city ordinances. This proposal specifies that this includes systems for potable water and rainwater collection and removes the ability for cities to prohibit the use through a city ordinance.

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 Governor  
Office of Prosecution Services  
Office of the Secretary of State  
Office of State Courts Administrator  
Department of Natural Resources  
Department of Revenue  
Missouri Lieutenant Governor  
Department of Elementary and Secondary Education  
Missouri State Employees' Retirement System  
Department of Public Safety-State Emergency Management Agency  
Missouri Tax Commission  
Legislative Research-Office of the Revisor  
Department of Public Safety-Missouri National Guard  
Department of Revenue  
Department of Transportation  
Jackson County Board of Election Commissioners  
Platte County Board of Election Commissioners  
St. Louis County Board of Election Commissioners  
Kansas City Election Board  
City of Kansas City  
Springfield Police Department  
Joplin Police Department  
Missouri State University

Ross Strope



Acting Director  
April 9, 2018