

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0807H.011
Bill No.: HB 648
Subject: Fire Protection; Political Subdivisions; Taxation and Revenue - Sales and Use
Type: Original
Date: March 27, 2023

Bill Summary: This proposal updates the description of Clay County to its current status and includes Jackson County in a statute that authorizes a sales tax dedicated to fire protection districts upon voter approval.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 321.246.1

Officials from the **Office of Administration - Budget and Planning (B&P)** note the proposal errs in an attempt to correct the reference to first class counties with a charter form of government. Charter counties are not first class counties. The only charter counties in Missouri are Jackson, Jefferson, St. Louis, and St. Charles counties. In *Leiser v. City of Wildwood*, “the court ruled that no county in Missouri can be a county of the first class and have a charter form of government.” Therefore, B&P states the Subsection 321.246.1 change is incorrect.

Section 321.246.4

Officials from the **Office of Administration - Budget and Planning (B&P)** note the language in this subsection removes the word “district” from the name of fire protection sales tax trust fund, which aligns the name with the statutory name in section 321.242.

B&P defers to the fire protection districts for the fiscal impact. This proposal:

- Has no direct impact on B&P.
- Has no direct impact on general or total state revenues.
- Will not impact the calculation pursuant to Art. X, Sec. 18(e).

DOR’s 1% administration fee for handling the collection of the taxes will not be impacted by the changes.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Revenue (DOR)** note this is updating a jurisdictions description in statute. This will not have a fiscal impact on DOR.

Officials from the **City of Kansas City** and **Jackson County** each assume the proposal will have no fiscal impact on their respective cities/counties. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<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

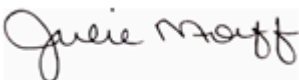
Current law authorizes certain fire protection districts in certain counties to impose a sales tax to provide revenues for operation of the fire protection district.

The bill changes the description of one of the counties listed to reflect that it is now a charter county. Upon enactment, the description that includes Clay County will be updated.

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 Revenue
Office of Administration - Budget and Planning
City of Kansas City
Jackson County



Julie Morff
Director
March 27, 2023



Ross Strope
Assistant Director
March 27, 2023