

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0807H.03C
Bill No.: HCS for HB 648
Subject: Fire Protection; Political Subdivisions; Taxation and Revenue - Sales and Use;
Emergencies
Type: Original
Date: April 5, 2023

Bill Summary: This proposal modifies provisions relating to emergency services.

FISCAL SUMMARY

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

*Oversight assumes any potential 1% collection fees retained by the Department of Revenue due an increase in local sales tax from this bill would not reach the \$250,000 threshold.

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 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Section 190.327 Sales Tax for Emergency Services

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal repeals the charter county of Jefferson's 0.25% emergency services sales tax limit. B&P defers to Jefferson County Emergency Services Boards for the fiscal impact of this proposal. The DOR 1% administration fee for handling the collection of the taxes may be impacted by the changes depending upon whether the 0.25% sales taxes increase or decrease. This will impact TSR. B&P defers to DOR on the fee impact from this legislation.

Oversight notes this section repeals the provision which provides that a sales tax for emergency services or for providing central dispatching for emergency services shall not be greater than one-quarter of one percent in Jefferson County. Therefore, Oversight will present a \$0 (no change in sales tax) to Unknown (increase in sales tax) impact for Jefferson County and a \$0 (no change in sales tax) to Unknown (increase in 1% collection fee) impact for the General Revenue Fund.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local law enforcement, fire protection districts, ambulance and EMS, schools, and Jefferson County were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in the MOLIS database is available upon request.

Section 321.246.1

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal updates this statute to reflect Clay County's new standing as a charter county. The proposal corrects the reference to first class counties and counties with a charter form of government. The first two county changes identify Jackson County with the reference to the "county with a charter form of government" and removes "of the first classification". The updated reference intended for Clay County now reads as "a county with a charter form of government" and removes "of the first classification".

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.

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.

In response to a previous version (HB 648), 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.

Officials from the **City of Springfield** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
General Revenue – Potential 1% collection fee due to local sales tax increases	\$0 or Unknown	\$0 to Unknown	\$0 to Unknown
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISION			
<u>Revenue Gain</u> – §190.327 - Jefferson County Potential sales tax increase p. (3)	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

FISCAL IMPACT – Small Business

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

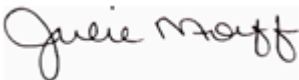
FISCAL DESCRIPTION

This proposal modifies provisions relating to emergency services.

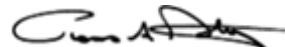
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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



Julie Morff
Director
April 5, 2023



Ross Strobe
Assistant Director
April 5, 2023