

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0617-09
Bill No.: SB 469
Subject: Township Counties: Collector-Treasurer
Type: Original
Date: March 21, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	(\$91,667)	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** assume no fiscal impact.

Officials of the **Office of Henry County Treasurer-Collector** assumes this proposal would have annual savings of approximately \$33,280.

Officials of the **Nodaway County Clerk's Office** assume this proposal would promote greater efficiency by centralizing tax collections. Officials assume there would be administrative savings in staff time, and paperwork and errors. Currently the county has 15 individual Collectors. Officials believe that tax dollars could be distributed in a more timely fashion, thereby aiding the taxing authorities. Officials estimated that the fees retained for collecting taxes would now be retained by the County, and would be sufficient to pay for any additional expenses of the new office of Collector-Treasurer.

ASSUMPTION (continued)

Officials of the **Livingston County Clerk's Office** estimates the 3% collection fee would generate approximately \$136,000 annually. Officials assume the cost of operations would be reduced because instead of processing 13 individual tax books now only one would be required at a central location. Officials assume savings in administration and supplies. Officials concluded there would be no losses incurred.

Officials of the **Carroll County Clerk's Office** assumes the county would realize approximately \$68,000 annually from the 3% collection fee. Officials assume there would be savings from purchasing supplies, and in administration. Officials stated they have 20 individual Collectors, and assume they would save office costs and staff time in having collections made at a centralized location. Officials concluded they would expect no losses to their county if this proposal were to be adopted.

Oversight assumes the loss of tax monies generated by the withholding of ½ of 1% by the various Township County Collector-Treasurers, for mailing tax statements, would be offset by the individual Township Collector no longer retaining a fee for salary.

Oversight assumes there would be no fiscal impact to the State's Blind Pension Trust Fund, or to local taxing authorities, such as school districts, road districts, library districts, etc.

Oversight notes that under the current method of collection of tax revenues in township counties, the Ex-Officio Collector retains for salary a collection fee of 2% for collecting delinquent taxes, and retains a 3% collection fee on all licenses, current taxes, etc. This proposal would transfer the monies generated from retaining these fees to the individual township counties' General Revenue Fund.

Oversight assumes there would be 22 Township County Clerks receiving an additional \$5,000 annually beginning for 10 months of fiscal year 2006, and there would be 22 Township Collector-Treasurers receiving an additional \$5,000 annually, beginning March 1, 2007.

Oversight assumes there are 22 counties with a township form of government. Therefore, Oversight will show annual fiscal impact to the township counties, on a statewide basis, of $22 \times \$5,000 = \$110,000$ for additional compensation of County Clerks, and \$110,000 for Collector-Treasurers. County Clerks salary would be for 10 months of FY 2006 or \$91,667. Collector-Treasurers additional compensation would begin on March 1, 2007 or for 4 months of FY 2007, or in amount on a statewide basis of \$36,667.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007 (4 Mo.)	FY 2008
TOWNSHIP COUNTIES GENERAL REVENUE FUND			
<u>Income</u> to General Revenue Fund			
From 2% fee on delinquent tax collections. *	\$0	Unknown	Unknown
<u>Income</u> to General Revenue Fund			
From 3% collecton fee retained *	\$0	Unknown	Unknown
<u>Income</u> to General Revenue Fund			
From ½ of 1% fee for mailing	\$0	Unknown	Unknown
<u>Cost</u> to General Revenue Fund			
Additional Compensation to County Clerk (Section 51.281.5)	(\$91,667)	(\$110,000)	(\$110,000)
<u>Cost</u> to General Revenue Fund			
Additional Compensation for Collector-Treasurer for duties of section 54.280. (Section 54.320.4)	\$0	(\$36,667)	(\$110,000)
<u>Cost</u> to General Revenue Fund			
From additional costs of office expense, personnel costs, etc.	<u>\$0</u>	<u>(\$Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO TOWNSHIP COUNTIES GENERAL REVENUE FUND *	(\$91,667)	\$0 or Unknown	\$0 or Unknown

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007 (4Mo.)	FY 2008
TOWNSHIP COUNTIES POLITICAL SUBDIVISIONS -(TAXING AUTHORITIES)			
<u>Savings</u> to Political Subdivisions from fees retained by Township Collector for salary.	\$0	Unknown	Unknown
<u>Cost</u> to Political Subdivisions ½ of 1% fee retained by County Collector-Treasurer for mailing of taxes.	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO POLITICAL SUBDIVISION - TAXING AUTHORITIES **	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT (TOWNSHIP COUNTIES)	<u>(\$91,667)</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

*** Income from commissions withheld prior to this proposal was retained by the Ex-Officio Collector for salary. These withholdings would now go to the county treasury. Oversight assumes fees withheld would be adequate to defray the costs of administration of the office of Collector-Treasurer. Oversight assumes the transfer of tax revenue collection authority would begin on March 1, 2007.**

****Oversight assumes the fees retained by the Township County Collector for salary would be greater than the fee of ½ of 1% retained by the Collector - Treasurer for mailing tax statements resulting in either an annual \$0 or positive savings for local taxing jurisdictions.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act consolidates tax collection in counties having township organization by eliminating the position of Township Collectors and giving the responsibilities to the former Treasurer Ex Officio Collector, now called the "Collector-Treasurer".

Laws generally applicable to County Collectors shall apply and govern County Collector-Treasurers except when they conflict with law specifically applicable to County Collector-Treasurer, in which case, such laws shall govern.

This act provides that the Treasurer Ex Officio Collector of a county with township organization shall no longer retain such title, and shall instead, assume the office of Collector-Treasurer on March 1, 2007. Until such date the Township Collector shall continue to perform the same duties and be subject to the same requirements and liabilities until his or her term expires. On such date though, the Township Collector shall cease to perform his or her duties and shall promptly deliver to the Collector-Treasurer, all books, papers, records, and property pertaining to the office. Notwithstanding other provisions of law to the contrary, the Collector-Treasurer shall obtain and hold the same duties, powers, and obligations previously granted to, and held by, the Township Collector. The Collector-Treasurer will also continue to perform the duties of the current "Treasurer Ex Officio Collector". Provisions have been made so that the consolidation of the duties of these two positions does not result in conflict.

The County Treasurer-Collector will continue to be compensated in the same manner as when he or she was the Treasurer Ex Officio Collector and will post the same bond. The Collector-Treasurer shall be allowed to employ not less than one full time deputy, and is entitled to employ such number as may be necessary to promptly and correctly perform the duties of the office of Collector-Treasurer. The Collector-Treasurers and County Clerks in counties having township organization will receive \$5,000 in addition to their current compensation for their duties.

In addition to the percentages that the current Treasurer Ex Officio Collector is allowed to retain for various purposes, this act allows the Treasurer-Collector to retain one-half of one percent on all licenses, taxes, and all interest collected in order to be deposited in the county treasury. This money can only be used to complete the mailing of personal property tax statements and receipts.

This act eliminates provisions directed specifically at Township Collectors such as their election and requirement to take an oath. It also transfers the powers given to them with regard to collecting taxes to the Treasurer-Collector. Powers currently given to the Treasurer Ex Officio Collector that require interaction with the Township Collector have been transferred to other county officials such as the County Clerk.

DESCRIPTION (continued)

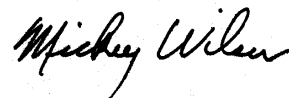
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Henry County Clerk
Chariton County Treasurer-Collector
Nodaway County Clerk
Livingston County Clerk
Carroll County Clerk

NOT RESPONDING

Vernon County
Bates County
Texas County
Stoddard County
Dunklin County



Mickey Wilson, CPA
Director
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