

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3116-02
Bill No.: Perfected SB 805
Subject: Counties: Property Taxes, Tax Sales
Type: Original
Date: March 2, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Tax Commission** assume this proposal requires the Tax Commission to provide to the County Collectors a standardize format for the affidavits and notices outlined in this proposal. Officials assume they would provide to the counties a sample to each Collector. Officials assume each county will supply their own forms for distribution to purchasers of property. Officials assume each county will pay the cost of printing these forms. Officials assume no cost to the Tax Commission.

The **Boone County Collector** assumes Section 140.250 could change the amount collected and disbursed to the taxing entities which could be more or less than the amount on the Collector's delinquent tax book.

Jasper County officials assume no fiscal impact.

Officials of the **Cass County Clerk's Office** assume no fiscal impact.

ASSUMPTION (continued)

Oversight assumes the cost to County Collectors of printing forms as required by this proposal would be insignificant and could be defrayed with existing appropriations.

Oversight assumes any loss of revenue to political subdivisions derived from the provisions of Section 140.250.1, which allows property being sold for a third time to be sold for a less amount, would not be significant. **Oversight** assumes that property being offered for sale a third time, would be property which is not desirable, or has some legal issues, and the amount of delinquent tax would not be great.

Oversight assumes that by allowing property which has been offered for sale for two successive years, and is offered for sale a third time, to be sold at a less amount than the amount in the delinquent tax book plus costs, would take that property on which no tax is currently being paid, and would place the property in the ownership of a new owner which would once again be paying taxes on that property. **Oversight** assumes that although political subdivisions would possibly lose some revenue from the reduced sale price, they would realize revenue that is currently not being paid on the property being sold.

Oversight assumes no fiscal impact to political subdivisions.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

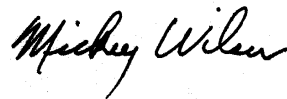
DESCRIPTION

This act permits the acceptance of a purchase bid for less than cost when property is offered for sale for the third time in a tax sale. Costs of performing the title search and mailing required notifications are reimbursed to the purchaser upon redemption. The act further provides for the State Tax Commission to supply a standard format for notices and affidavits required in tax sale situations.

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

Missouri State Tax Commission
Cass County Clerk
Jasper County Clerk
Boone County Collector



Mickey Wilson, CPA
Director
March 2, 2006