

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3420-01  
Bill No.: SJR 26  
Subject: Constitutional Amendments; Taxation and Revenue - Property; Veterans.  
Type: Original  
Date: January 6, 2006

---

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |                   |                |                |
|---|-------------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2007</b>    | <b>FY 2008</b> | <b>FY 2009</b> |
| General Revenue   | (\$52,560)        | \$0            | \$0            |
|   |                   |                |                |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>(\$52,560)</b> | <b>\$0</b>     | <b>\$0</b>     |

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

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2007</b> | <b>FY 2008</b> | <b>FY 2009</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 LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2007</b> | <b>FY 2008</b> | <b>FY 2009</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

**FISCAL ANALYSIS**

**ASSUMPTION**

In response to a similar proposal from the 2005 session (SJR 19), officials from the **Cole County Assessor's Office** assumed the proposal would have no impact on their office or on political subdivisions in Cole County since property owned by veterans' organizations is not currently being assessed or taxed.

Officials from the office of the **Secretary of State (SOS)** stated that statewide newspaper publication of constitutional amendments cost approximately \$1,752 per column inch per publication date based on an estimate provided by the Missouri Press Service. The SOS estimated this proposal would require 10 column inches including title header and certification paragraph, for three required publications. (( $\$1,752 \times 3 = \$5,256$ )  $\times 10 = \$52,560$ ).

SOS states that the cost of a statewide special election in FY 2000 was \$3.7 million.

Officials from the **Department of Revenue** and the **Department of Public Safety - Missouri Veterans Commission** each assume this proposal would have no impact on their respective agencies.

ASSUMPTION (continued)

Officials from the **State Tax Commission** assume this proposal would reduce tax revenues for political subdivisions, but they are unable to estimate the impact of this proposal because they do not have any information regarding the number of veterans' organizations or the amounts of taxable property they own.

**Oversight** assumes the proposal would be submitted to the voters in November 2006. Oversight also assumes that if the voters approved the constitutional amendment, there would be an unknown reduction in political subdivision tax revenues, and an impact to the state Blind Pension Fund of approximately one-half of one percent of the impact to political subdivisions. Any impact to tax revenues would begin in FY 2008 since 2006 taxes collected in FY 2007 would already be determined before the November 2006 election.

| <u>FISCAL IMPACT - State Government</u>                 | FY 2007<br>(10 Mo.)      | FY 2008           | FY 2009           |
|---|--------------------------|-------------------|-------------------|
| <b>GENERAL REVENUE FUND</b>                             |                          |                   |                   |
| <u>Cost - Secretary of State</u>                        |                          |                   |                   |
| Publication cost  | <u>(\$52,560)</u>        | <u>\$0</u>        | <u>\$0</u>        |
| <b>ESTIMATED NET EFFECT ON<br/>GENERAL REVENUE FUND</b> | <b><u>(\$52,560)</u></b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2007<br>(10 Mo.) | FY 2008    | FY 2009    |
|---|---------------------|------------|------------|
|   | <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.

DESCRIPTION

This constitutional amendment, if approved by voters, will exempt property owned by veterans' organizations from taxation.

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 Secretary of State  
Missouri Veterans Commission  
Department of Revenue  
State Tax Commission  
Cole County Collector



Mickey Wilson, CPA  
Director  
January 6, 2006