

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3420-01
Bill No.: Truly Agreed To and Finally Passed SJR 26
Subject: Constitutional Amendments; Taxation and Revenue - Property; Veterans.
Type: Original
Date: May 19, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$0	\$0	\$0
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

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)** state many joint resolutions are considered by the General Assembly that would require the Secretary of State's office to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. In the FY 2007 budget approved already by the Missouri General Assembly a total of \$1.6 million has been provided to meet these requirements. The appropriation is an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. Therefore, the Secretary of State's office should have the full appropriation authority it needs in FY 2007 to meet the publishing requirements.

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

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of advertising the statewide ballot measure related to this proposal within their current appropriation level. If multiple bills pass or if multiple ballot initiatives are validated which require similar advertising at substantial costs, the SOS could request funding through the appropriation process.

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.

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 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (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
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