

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4247-12  
Bill No.: Perfected SCS for SB 1140  
Subject: Boards, Commissions, Committees, Councils; County Officials; Mortgages and Deeds; Property Real and Personal; State Tax Commission; Taxation and Revenue - Property  
Type: Original  
Date: April 18, 2006

**FISCAL SUMMARY**

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

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 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**

Officials from the **Department of Economic Development, Division of Professional Registration**, on behalf of the **Missouri Real Estate Commission** assumed a previous version of this proposal would have no fiscal impact on their organization.

Officials from the **Office of the Secretary of State, Missouri State Library**, assume this proposal could result in an increase in revenue for some library districts, if properties are assessed more accurately and uniformly across the state. Library districts depend on the property tax for over 90% of their revenue. Library districts may need assistance with understanding the proposed additional information required at public hearings to set tax rates.

Officials from **Hickory County** assumed a previous version of this proposal would have a cost to their county of \$2,000 to \$35,000 per year beginning in FY 2008.

Officials from the **Department of Revenue** and the **State Tax Commission** assume this proposal would have no fiscal impact on their organizations.

ASSUMPTION (continued)

Officials from the **Office of the Cole County Assessor** stated their organization has been implementing a total upgrade to a new cost manual; the process started in 2003 and will be complete in 2007. The estimated cost to upgrade was \$20,000.

**Oversight** assumes this proposal would have no fiscal impact to state or local government.

<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

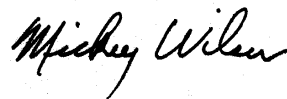
This proposal would change several provisions relating to the assessment and taxation of real property.

- A. The State Tax Commission would oversee the education and certification of all assessors and assessor staff as the commission deems appropriate.
- B. The State Tax Commission would conduct periodic ratio studies to determine the quality and level of assessments of real property for each assessment jurisdiction.
- C. Separate disclosure would be required for revenue increases resulting from new construction and improvement, and from reassessment. Before setting their tax rates, political subdivisions would be required to separately disclose the increase in tax revenue due to an increase in assessed value as a result of new construction and improvement, and the increase, both in dollar value and percentage, in tax revenue as a result of reassessment for the proposed tax rate.
- D. The Joint Committee on Tax Policy would examine and certify ratio studies of assessed valuation performed by the State Tax Commission.

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  
Department of Economic Development  
Division of Professional Registration  
Department of Revenue  
State Tax Commission  
Cole County Assessor  
Hickory County



Mickey Wilson, CPA  
Director

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