

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0352-01
Bill No.: SB 99
Subject: Education, Higher; Taxation
Type: Original
Date: February 13, 2007

Bill Summary: This proposal increases by two hundred fifty million dollars the assessed value thresholds for tax rates that may be imposed without voter approval by junior college districts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government Junior College Funds	\$0 to \$2,693,137	\$0 to \$2,693,137	\$0 to \$2,693,137

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education, Moberly Area Community College, Metropolitan Community College and Linn State Technical College** assume no fiscal impact from this proposal.

Oversight reviewed the assessed value of property in the junior college districts. This proposal allows a junior college district to increase the amount of the tax rate it collects on every \$100 of assessed property value without voter approval. Oversight's review showed that only four of the junior colleges would have their tax rate changed by changing the assessed value thresholds. Those four schools are listed in the table, with the assessed value, current tax rate and the new proposed tax rate.

Community Colleges	Assessed Value of District Property	Current Tax Rate of \$.30/\$100	Proposed Tax Rate of \$.40/\$100	Difference in Current and Proposed Tax Rate
Three Rivers	\$687,996,647	\$2,063,990	\$2,751,986	\$687,996
Crowder	\$641,906,135	\$1,925,718	\$2,567,624	\$641,906
State Fair	\$664,193,903	\$1,992,552	\$2,656,776	\$664,224
Mineral Area	\$699,010,923	\$2,097,033	\$2,796,044	\$699,011

Oversight assumes this proposal will increase revenues for the junior colleges and has shown the increase as an impact to Local Government. Oversight is showing the increase in revenue as a range from no district taking the increase (\$0) to each of these districts taking the maximum allowed of \$2,693,137.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
JUNIOR COLLEGE FUNDS			
<u>Income</u> - Junior Colleges			
Increased Tax Rate	<u>\$0 to</u> <u>\$2,693,137</u>	<u>\$0 to</u> <u>\$2,693,137</u>	<u>\$0 to</u> <u>\$2,693,137</u>
ESTIMATED NET EFFECT ON JUNIOR COLLEGE FUNDS	<u>\$0 to</u> <u>\$2,693,137</u>	<u>\$0 to</u> <u>\$2,693,317</u>	<u>\$0 to</u> <u>\$2,693,137</u>

FISCAL IMPACT - Small Business

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

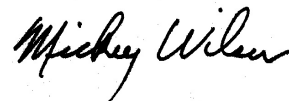
FISCAL DESCRIPTION

This act seeks to increase by two hundred fifty million dollars the assessed value thresholds for tax rates that may be imposed without voter approval by junior college districts.

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 Higher Education
Moberly Area Community College
Metropolitan Community College
Linn State Technical College



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Director

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