

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4250-03
Bill No.: HCS for SCS for SB 939
Subject: Levee and Drainage Districts: Taxes
Type: Original
Date: April 18, 2008

Bill Summary: Permits a drainage district or a levee district to levy a uniform tax of not more than eight dollars per acre upon each acre of land rather than one dollar per acre.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Parks and Soils Sales Tax	\$0 to (\$4,603)	\$0 to (\$4,603)	\$0 to (\$4,603)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (\$4,603)	\$0 to (\$4,603)	\$0 to (\$4,603)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Sections 242.430 and 245.175: Levee and Drainage Districts Levy Increase:

Officials of the **Department of Natural Resources - State Parks Division** stated that this proposal would allow levee districts to levy a uniform tax of not more than eight dollars per acre/mile rather than one dollar per acre/mile. The Department's Division of State Parks has a total of 655.44 acres in four different levee districts, and 2.14 miles in two different levee districts, which excludes Ste. Genevieve county (the levee districts in Ste. Genevieve county levy taxes by parcel, not by acres nor miles).

Depending on each levee district's decision, the fiscal impact on the division will be from \$0 (no levee districts increase their tax) to \$4,603.06 (if all levee districts increase their uniform tax by \$7... ($\$7 * 655.44 \text{ acres} + \$7 * 2.14 \text{ miles} = \$4,603.06$)).

Oversight assumes this proposal increases the cap on the amount of uniform tax levy that the board of supervisors of levee or drainage districts could levy on per acre of land and on each mile of right-of-way of all public service corporations within a levee district. **Oversight** assumes this proposal as written does not require boards to increase their levies, but allows them to do so at their discretion. **Oversight** will show fiscal impact as \$0 to Unknown costs to local governments that might have property within a levee or drainage district. Unknown costs would depend on whether the board of supervisors would increase the levy per acre.

Sections 242.230, 242.500, 245.020, 245.105, 245.197, 246.305:

Oversight assumes that current law provides that only owners of 25% of the property in certain drainage districts can petition a court for re-adjustment of the assessment of benefits for the property in the district. This bill allows the district board of supervisors to petition for re-adjustment for some or all of the property in the district as identified in the petition.

Oversight assumes this proposal as written is procedural and does not require boards to seek re-adjustment of benefit assessments in their districts.

Oversight assumes local boards would have to act before fiscal impact would be realized.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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PARKS AND SOILS SALES TAX FUND

<u>Costs</u> - To Department of Natural Resources- State Parks Division from increase in levee district tax.	<u>\$0 to (\$4,603)</u>	<u>\$0 to (\$4,603)</u>	<u>\$0 to (\$4,603)</u>
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ESTIMATED NET EFFECT TO PARKS AND SOILS SALES TAX FUND*	<u>\$0 to (\$4,603)</u>	<u>\$0 to (\$4,603)</u>	<u>\$0 to (\$4,603)</u>
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* **Costs, if any, would depend on action of the levee district's board of supervisors.**

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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LOCAL GOVERNMENT - POLITICAL SUBDIVISIONS

<u>Cost</u> - To Political Subdivisions from increase in levee or drainage district tax.	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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ESTIMATED NET EFFECT TO LOCAL GOVERNMENT *	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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* **Costs to local governments would depend on whether they would have improvements or property within a drainage or levee district, and if the district board of supervisors would increase the tax per acre or per mile of right-of-way.**

FISCAL IMPACT - Small Business

Small business that would be located within a levee or drainage district would be expected to pay any increase in the tax, but only if the board of supervisors were to increase the tax allowed.

FISCAL DESCRIPTION

Sections 242.430 and 245.175: Levee and Drainage Districts Levy Increase:

Currently, the board of supervisors of a levee or drainage district are allowed to levy a uniform tax of not more than one dollar per acre upon each acre of land and each mile of right-of-way of all public service corporations within such district. The tax is used to pay expenses incurred or to be incurred.

This act would require a levee or drainage district to levy such a tax for not more than eight dollars.

Sections 242.230, 242.500, 245.020, 245.105, 245.197, 246.305:

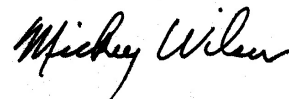
Currently, only owners of 25% of the property in certain drainage districts can petition a court for re-adjustment of the assessment of benefits for the property in the district. This bill allows the district board of supervisors to petition for re-adjustment for some or all of the property in the district as identified in the petition. The bill also clarifies that property owners or the board of supervisors in levee districts can petition a court for re-adjustment of the assessment of benefits for just a particular part of the property in the district as identified in the petition.

Drainage districts in St. Louis County are authorized to adopt an alternative procedure with respect to voting rights. All drainage districts are authorized to adopt an alternative procedure for the apportionment of installment taxes after a re-adjustment of the assessment of benefits.

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 Natural Resources
State Parks Division
Office of State Courts Administrator



Mickey Wilson, CPA
Director
April 18, 2008