

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0491-06
Bill No.: Perfected SS for SCS for SB 83
Subject: County Officials; Fees; Liens; Property, Real and Personal; Taxation and Revenue
 - Property
Type: Original
Date: April 2, 2013

Bill Summary: This proposal modifies provisions of law relating to taxation of property.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

§ 52.250 - County Collectors - Fees (Amended with Senate Amendment 1)

Due to time constraints, county officials were unable to respond to the changes made by the amendment to this section.

Oversight assumes the amendment allows for the collection of a fee of one-half of one percent of current taxes to be collected by all county collectors. County collectors that do not currently collect this fee will now be able to collect the fee to offset the cost of mailing statements and receipts.

Oversight assumes collector fees will be a reduction in taxes remitted to other political subdivision governing bodies. The net effect to political subdivisions will net to zero for this section of the proposal.

§ 67.457 - Notice of Neighborhood Improvement Districts:

In response to similar legislation from 2013 (SB 248), officials from the **City of Kansas City** assumed there would be internal/staff costs incurred in compiling the information in the format required by this bill and in recording, but they would be nominal as this information is already in the city's possession and/or required to be generated in making the assessments.

In response to similar legislation from 2013 (SB 248), officials from the **City of Columbia** assumed there would be a cost to record the document in addition to staff time to develop the document being recorded, which will vary based on the size of the neighborhood improvement district. Accurate estimates were not available.

Oversight assumes implementation of the provisions of this section would be minimal and could be absorbed by the entities involved.

§§ 67.463 and 67.469 - Neighborhood Improvement Districts Special Assessments:

In response to similar legislation from 2013 (SB 138), officials from the **City of Kansas City** assumed the extent of revenue losses to the city is dependent upon the extent to which Jackson County elects to collect or deduct a fee from the special assessment collections.

ASSUMPTION (continued)

Oversight assumes these proposed sections are permissive, and for fiscal note purposes, will assume no direct fiscal impact on the City of Kansas City, St. Louis City, and Jackson County.

§§ 67.1521, 139.160, 140.050, 140.115, 140.150, 140.160, 140.230, 140.290, 140.460, and 140.470 - Collection of Delinquent Property Taxes and Special Assessments

In response to the previous version of this proposal, officials at the **St. Louis County Collector** assumed the removal of the purchase certificate fee, based on 2012 sale figures, would result in a minimal loss in revenue to the county.

In response to similar legislation from 2013 (HB 175), officials from the **Boone County Collector** assumed the changes in this proposal will reduce revenue to county general revenue and some programming costs will occur to remove the fees from our collection and distribution software. Those amounts are unknown but assumed to be negligible.

Oversight assumes a minimal impact less than \$100,000 to local county government funds from the elimination of a \$1.50 fee for certain tax deeds.

Bill as a Whole

Officials at the **Office of Administration - Division of Budget and Planning (BAP)** assumes this proposal allows additional fees to be collected by county collectors which may impact the calculation in Article X, Section 18(e).

BAP assumes this proposal will have no direct fiscal impact on general revenues or BAP.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Office of the Attorney General, State Treasurer's Office, Department of Revenue, Department of Natural Resources, Missouri Tax Commission, St. Charles County Recorder's Office** each assume the proposal would not fiscally impact their respective agencies.

Officials from numerous county collectors did not respond to **Oversight's** request for fiscal impact.

Oversight assumes there is no fiscal impact from this proposed legislation on state government funds.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2014 (10 Mo.)	 FY 2015	 FY 2016
LOCAL FUNDS			
<u>Revenue</u> - Collectors §52.250 - Fee collected on tax collections	Unknown	Unknown	Unknown
<u>Loss</u> - Political Subdivisions §52.250 - fees retained by county collectors for mailing expenses	(Unknown)	(Unknown)	(Unknown)
<u>Loss</u> - Counties §§ 140.290 and 140.470 Elimination of Tax Deed Fees	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL FUNDS	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§52.250 - County Collectors - Fees

The collectors in all counties shall collect a fee of one-half of one percent of all current taxes collected, including current delinquent taxes, exclusive of all current railroad and utility taxes collected on behalf of the county, as compensation for mailing the statements and receipts. All fees collected pursuant to this section shall be collected on behalf of the county and shall be paid into the county treasury.

DESCRIPTION (continued)

§§ 140.290 and 140.470 - Elimination of Tax Deed Fees:

This proposal eliminates specific language authorizing fees of twenty-five and fifty cents that the county collector is authorized to collect when recording a certificate of purchase of land sold at a tax sale. The collector will continue to be authorized to receive the fee necessary to record the certificate of purchase. The proposal eliminates language authorizing a one dollar and fifty cent fee for certain tax deeds.

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 Administration -
Division of Budget and Planning
Department of Insurance, Financial Institutions and Professional Registration
Office of the Attorney General
State Treasurer's Office
Department of Revenue
Department of Natural Resources
Missouri Tax Commission
City of Kansas City
City of Columbia
St. Louis County Collector
Boone County Collector
St. Charles County Recorder's Office

Not Responding:

Numerous County Collectors



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April 2, 2013