

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0730-04  
Bill No.: Perfected HCS for HB 175  
Subject: Taxation and Revenue - Property; County Officials  
Type: Original  
Date: April 17, 2013

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Bill Summary: This proposal modifies provisions of law relating to collection of special assessments and delinquent property taxes.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2014    | FY 2015    | FY 2016    |
|   |            |            |            |
|   |            |            |            |
| <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 2014    | FY 2015    | FY 2016    |
|   |            |            |            |
|   |            |            |            |
| <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 6 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</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 FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2014</b> | <b>FY 2015</b> | <b>FY 2016</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

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).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                              |                              |                              |
|--|------------------------------|------------------------------|------------------------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2014</b>               | <b>FY 2015</b>               | <b>FY 2016</b>               |
| <b>Local Government</b>                    | <b>(Less than \$100,000)</b> | <b>(Less than \$100,000)</b> | <b>(Less than \$100,000)</b> |

## FISCAL ANALYSIS

### ASSUMPTION

#### House Amendment 1:

Due to time constraints many agencies were unable to respond to Oversight's request for fiscal impact.

Officials from the **Office of Administration - Division of Budget and Planning** assume this amendment would have no direct fiscal impact on general and total state revenues.

**Oversight** assumes House Amendment 1 (HA1) adds section 247.225 to the proposal. This amendment requires a water district in St. Charles County to be under the auspices of the **Missouri Public Service Commission (PSC)** for rates, charges, and fees.

**Oversight** assumes oversight of water district rates, charges, and fees is part of the normal duties of the PSC and any costs to the PSC and to the Office of Public Counsel from this amendment could be absorbed with current and future appropriations.

**Oversight** assumes HA1 changes the process by which adjustments to water district rates, charges, and fees can be made in St. Charles County. The amendment does not directly change the current rates, charges, and fees assessed by St. Charles County Water Districts.

**Oversight** will assume no direct fiscal impact from HA1 since the amendment appears to only add an additional approval measure.

§§ 67.457, 67.463, 67.469, 67.1521, 139.160, 139.170, 140.050, 140.115, 140.150, 140.160, 140.230, 140.290, 140.300, 140.405, 140.460, 140.470, 140.665, and 140.730 - Collection of Delinquent Property Taxes and Special Assessments

Officials from the **Boone County Collector** assume 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.

ASSUMPTION (continued)

In response to similar legislation from 2013 (SB 83), 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.

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

Officials at the **Office of Administration - Division of Budget and Planning (BAP)** assume this proposal changes procedures for local government officials and laws regarding property tax collections. This will have no impact on general and total state revenues. However, changes to the fee schedules for county collectors could impact the calculation in Article X, Section 18(e) on the Missouri Constitution.

BAP assumes this proposal should not result in additional costs or savings to BAP.

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

In response to the previous version of this proposal, officials from the **Office of Secretary of State** and **Missouri Tax Commission** each assumed the proposal would not fiscally impact their respective agencies.

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

| <u>FISCAL IMPACT - State Government</u>                         | FY 2014<br>(10 Mo.)                     | FY 2015                                 | FY 2016                                 |
|---|---|---|---|
|   | <u>\$0</u>                              | <u>\$0</u>                              | <u>\$0</u>                              |
| <br><u>FISCAL IMPACT - Local Government</u>                     | <br>FY 2014<br>(10 Mo.)                 | <br>FY 2015                             | <br>FY 2016                             |
| <b>LOCAL FUNDS</b>  |   |   |   |
| <u>Loss - Counties §140.290</u><br>Elimination of Tax Deed Fees | (Less than<br><u>\$100,000</u> )        | (Less than<br><u>\$100,000</u> )        | (Less than<br><u>\$100,000</u> )        |
| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>                      | <b>(Less than<br/><u>\$100,000</u>)</b> | <b>(Less than<br/><u>\$100,000</u>)</b> | <b>(Less than<br/><u>\$100,000</u>)</b> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§140.290 - 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

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

**Not Responding:**

Numerous Counties



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