

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5571-01  
Bill No.: SCR 51  
Subject: Agriculture; General Assembly; State Tax Commission; Taxation and Revenue - Property  
Type: Original  
Date: January 11, 2016

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Bill Summary: This proposal disapproves the regulation filed by the State Tax Commission on December 29, 2015, that establishes new values for certain agricultural and horticultural property.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Governor** assume there should be no added cost to the Governor's Office as a result of this proposed legislation.

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Department of Agriculture** stated this proposed legislation has no fiscal impact on the department.

In response to a similar proposal from 2014 (HCR16), officials from the **Office of Administration - Division of Budget and Planning (B&P)** assumed the proposal disapproved the State Tax Commission's agricultural and horticultural land value regulations for two assessment years. B&P stated the proposal could limit growth in property tax revenues for the Blind Pension Fund and local governments, including school districts, if levies are not otherwise adjusted.

In response to a similar proposal from 2014 (HCR16), officials from the **State Tax Commission**, the **Missouri Senate**, and the **Missouri House of Representatives** assumed the proposal would have no fiscal impact on their respective agencies.

In response to a similar proposal from 2014 (HCR16), officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

**Oversight** assumes this proposal would prohibit the implementation of new productivity valuations for agricultural and horticultural land, and thus prevent the revaluation of such land by local assessors. Because of the effect of existing property tax limitation provisions, Oversight assumes that such revaluation would have partially shifted local property taxes to agricultural and horticultural land and away from residential and commercial property. This proposal, if enacted, would prevent that revaluation and subsequent property tax shift. Accordingly, Oversight will indicate no fiscal impact for this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

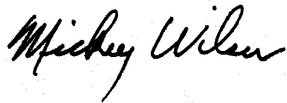
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

State Tax Commission  
Office of the Secretary of State  
Missouri House of Representatives  
Missouri Senate  
Office of the Governor  
Office of Administration - Budget and Planning  
Department of Agriculture  
Joint Committee on Administrative Rules



Mickey Wilson, CPA  
Director  
January 11, 2016

Ross Strobe  
Assistant Director  
January 11, 2016