

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1668-01
Bill No.: SB 364
Subject: Taxation and Revenue - Property; Agriculture
Type: Original
Date: February 6, 2017

Bill Summary: This proposal would prohibit the State Tax Commission from raising agricultural land productive values under certain circumstances.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|------------------------------------------------------|----------------|----------------|----------------|
| FUND AFFECTED | FY 2018 | FY 2019 | FY 2020 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---------------------------------------------------------------|----------------|----------------|----------------|
| FUND AFFECTED | FY 2018 | FY 2019 | FY 2020 |
| | | | |
| 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 2018 | FY 2019 | FY 2020 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|-----------------------------------------------------------|----------------|----------------|----------------|
| FUND AFFECTED | FY 2018 | FY 2019 | FY 2020 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

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

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--------------------------------------------|----------------|----------------|----------------|
| FUND AFFECTED | FY 2018 | FY 2019 | FY 2020 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from the **State Tax Commission (TAX)** stated they had determined the proposal would have an unknown impact. TAX officials noted that since 1994 agricultural production values have increased 5%, and the General Assembly has the authority to reject the State TAX Commission recommendations under existing law.

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

Officials from the **City of Kansas City** assume this proposal would have a very small negative fiscal impact on their organization, of an indeterminate amount.

Officials from the **Kirksville R-III School District** assume this proposal could have a slight negative impact on their organization.

Officials from the **West Plains School District** assume this proposal would have no cost to their organization.

According to officials from the **Office of the Secretary of State (SOS)**, 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, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

ASSUMPTION (continued)

Officials from **Callaway County** assume this proposal would have no current impact on their organization.

Officials from the **Jackson County Election Board** and the **Platte County Board of Elections** assume this proposal would have no impact on their organization.

Oversight notes this proposal would prohibit the State Tax Commission from promulgating a rule increasing agricultural land production values under certain circumstances, and also notes the General Assembly currently has the ability to reject the State Tax Commission's recommendations as to agricultural land production values. Oversight assumes this proposal would have no impact on the state or local governments.

| | FY 2018 (10 Mo.) | FY 2019 | FY 2020 |
|-----------------------------------------|---------------------|------------|------------|
| <u>FISCAL IMPACT - State Government</u> | | | |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| | FY 2018 (10 Mo.) | FY 2019 | FY 2020 |
|-----------------------------------------|---------------------|------------|------------|
| <u>FISCAL IMPACT - Local Government</u> | | | |
| | <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.

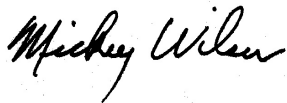
FISCAL DESCRIPTION

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

Office of the Secretary of State
Joint Committee on Administrative Rules
State Tax Commission
Callaway County
City of Kansas City
Kirksville R-III School District
West Plains School District
Jackson County Election Board
Platte County Board of Elections



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February 6, 2017

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February 6, 2017