

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4278-01
Bill No.: SB 868
Subject: Taxation - Property; Easement sand Conveyances
Type: Original
Date: February 1, 2018

Bill Summary: This proposal exempts from property tax land that is an out-of-service rail corridor being used as a trail under federal law.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Tax Commission** assume this proposal will have no fiscal impact as these are mostly easements and are negligible in value.

Officials from the **Department of Natural Resources, Department of Revenue, Department of Economic Development** and **Missouri Department of Conservation** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Administration** assume section 137.100(11) creates a new property tax exemption. Portions of privately-owned lands subject to railroad easements on which a state, political subdivision, or qualified organization has assumed responsibility will not be subject to taxation. If this change lowers property tax receipts, the Blind Pension Fund revenues could decrease, thus lowering Total State Revenues. Additionally, local schools may lose funds from diminished property tax receipts. This bill may impact 18(e) calculations.

Officials from the **City of Kansas City, Callaway County, St. Louis County** and **Boone County** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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


This act exempts from state, county, and local property tax any portion of a landowner's parcel of land on which a rail easement for an out-of-service rail corridor is being used as a trail under federal law.

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
Department of Revenue
Office of Administration - Budget and Planning
Missouri Department of Conservation
State Tax Commission
Department of Economic Development
City of Kansas City
Callaway County
Boone County
St. Louis County

Ross Strobe



Acting Director
February 1, 2018