

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2224-01
Bill No.: SB 452
Subject: Counties; Jackson County; County Officials; Taxation and Revenue - Property
Type: Original
Date: April 23, 2019

Bill Summary: This proposal modifies provisions relating to county assessment funds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government*	\$0	\$0	\$0

*Distribution increases (decreases) netting to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **State Tax Commission** assume SB 452 would remove the annual assessment fund cap of \$125,000 provided for in §137.720 for Jackson County only and raises the assessment fund cap to \$500,000. This would be a positive fiscal impact of \$375,000 to the Jackson County Assessment fund, but a negative fiscal impact of \$375,000 to other Jackson County funds and to other taxing jurisdictions such as school districts etc, who in current law receive these revenues.

Oversight inquired the State Tax Commission further regarding this proposal. To clarify, other taxing jurisdictions are not only school districts, but could also be other local political subdivisions such as: cities, fire protection districts, ambulance districts, library districts, etc. Therefore, Oversight will reflect a positive fiscal impact of up to \$375,000 to Jackson County and an offsetting negative impact to local political subdivisions, netting to zero.

Officials at **Jackson County** did not respond to Oversight’s request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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LOCAL POLITICAL SUBDIVISIONS

<u>Revenue</u> - Jackson County Assessment Fund- increasing the cap from \$125,000 to \$500,000	Up to \$375,000	Up to \$375,000	Up to \$375,000
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<u>Loss</u> - in funding to local political subdivisions within Jackson County	(Up to <u>\$375,000</u>)	(Up to <u>\$375,000</u>)	(Up to <u>\$375,000</u>)
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Current law allows for an additional percentage of property tax collections to be deposited into the county assessment fund to pay for assessment costs above the base amount, and caps such additional collections at \$125,000 for certain counties. This act increases the cap for Jackson County to \$500,000.

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



Kyle Rieman
Director
April 23, 2019

Ross Strobe
Assistant Director
April 23, 2019