

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1588-01
Bill No.: SB 408
Subject: Taxation and Revenue - Property: Environmental Protection
Type: Original
Date: February 19, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	(UNKNOWN)	(UNKNOWN)

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Tax Commission (TAX)** and the **Department of Revenue** stated that this proposal would not affect their agencies, administratively.

TAX officials did note that the effect on property tax collections would depend on the extent to which the abatement would be used.

Officials of the **Secretary of State** stated that this bill authorizes a partial tax abatement on real property tax for real estate which contains a child-occupied facility or dwelling involved with a lead abatement project. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Health could require as many as ten pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in *Missouri Register* as in the *Code* because cost estimates and fiscal notes are not repeated in the *Code*. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The estimated cost of publication in FY 2002 for this proposal is \$615. Actual cost could be more or less and costs in future years would depend upon frequency and length of rules filed, amended, rescinded or withdrawn.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials of the **Department of Health (DOH)** indicated that the administrative impact of the proposal would depend upon the number of subdivisions electing to participate in the program. They do not anticipate a large number of participants because the program could reduce tax bases. If the proposal would substantially affect DOH programs then the Department would request resources through budget decision.

Oversight assumes DOH officials would set charges for issuing certificates at a price which would be substantially equal to their administrative costs.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
	(10 Mo.)		
GENERAL REVENUE FUND			
<u>Department of Health</u>			
<u>Income</u> - Certificate Fees	Unknown	Unknown	Unknown
<u>Cost</u> - Administrative Costs	(Unknown)	(Unknown)	(Unknown)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2002 (10 Mo.)	 FY 2003	 FY 2004
POLITICAL SUBDIVISIONS			
<u>Loss - Reduced Property Taxes</u>	\$0	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>

FISCAL IMPACT - Small Business

Small businesses which own properties eligible for an abatement could be affected by this proposal.

DESCRIPTION

This proposal would allow any city or county to, by ordinance or order, abate property taxes, except for school and blind pension fund taxes, assessed against owners of real estate with child-occupied facilities or dwellings involved in approved lead-abatement projects.

The Department of Health would provide certificates of tax abatement to owners demonstrating that their projects meet with Department promulgated rules for qualifying lead-abatement projects.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Health
Department of Revenue
Secretary of State
State Tax Commission

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
February 19, 2001