

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3199-01
Bill No.: SB 688
Subject: Taxation & Revenue-Property; Political Subdivisions; State Tax Commission
Type: Original
Date: December 28, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$219,000)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$219,000)	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Tax Commission** assume this could severely affect St. Louis County, depending on the number of appeals to the Board of Equalization and the State Tax Commission. Additionally, depending on the number of internal inspections requested by taxpayers, the cost to local governments could be substantial. The FY 2003 budget request contains an expansion item which will increase the per parcel reimbursement from the state to \$7 per parcel as provided by statute.

Oversight notes that this proposal does not mandate an increase in the per-parcel reimbursement to counties and has excluded that cost from the fiscal impact of this proposal.

Oversight assumes there would be additional unknown costs to the County Assessor, Clerk, and Collector to administer the proposal. Oversight also assumes that St. Louis County may have significant but unknown additional costs to conduct assessment appeals and to reimburse successful property owners for their appeal expenses.

Officials from the **Office of the Secretary of State** assume statewide newspaper publications of constitutional amendments cost approximately \$1,460 per column inch based on estimate provided by the Missouri Press Service x3 for multiple printings as required by the Constitution and State Statute = \$4,380 per column inch. Estimate total number of inches for this amendment to be 50 inches, which includes title header and certification paragraph.
 \$4,380 x 50 inches = \$219,000.

Officials from the **Office of State Courts Administrator** assume no fiscal impact to the courts as a result of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Cost to General Revenue Fund</u>			
<u>Secretary of State</u>			
Newspaper Advertisements	(\$219,000)	\$0	\$0
NET EFFECT ON GENERAL REVENUE FUND*	<u>(\$219,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
POLITICAL SUBDIVISIONS			
<u>Cost - Additional administrative cost to Assessor, Collector, and Clerk St. Louis County</u>	(Unknown)	(Unknown)	(Unknown)
Additional cost to Assessor	(Unknown)	(Unknown)	(Unknown)
NET EFFECT ON POLITICAL SUBDIVISIONS *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would change the frequency of assessment equalization (reassessment) to once every five years.

The proposal would place the burden of proof on the assessor in the case of an assessment appeal. The proposal would require written notice to a property owner of a physical inspection of the property, require the owner to be notified of the owner's rights relating to the inspection, and allow the property owner to request an interior inspection of the property. The proposal would prohibit "drive-by" inspections.

The proposal would also provide for reimbursement of expenses to the property owner in cases where the assessment was reduced on appeal, in St. Louis County.

This proposal is subject to statewide voter approval in the November, 2002, general election, and would have an effective date of January 1, 2003.

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
Secretary of State
Office of State Courts Administrator



Jeanne Jarrett, CPA
Director
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