

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3199-09  
Bill No.: Perfected SS#2 for SCS for SB 688, 663, 691, 716, 759, 824, & 955  
Subject: Taxation & Revenue-Property; Political Subdivisions; State Tax Commission  
Type: Original  
Date: April 17, 2002

**FISCAL SUMMARY**

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

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Political Subdivisions	(Unknown)	(Unknown)	<b>(Unknown)</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue, Office of Administration, Division of Budget and Planning, City of St. Louis, St. Louis County, and Green County**, did not respond to this proposal.

Officials from the **City of Kansas City** did not estimate a fiscal impact to their organization.

In response to a similar proposal, officials from the **Office of State Courts Administrator** assume no fiscal impact to the courts as a result of this proposal.

Officials from the **State Tax Commission** assume requiring additional physical inspections could require more staff to accomplish the task. The additional notice, explanation of rights and findings of fact and law would all increase the amount of postage an assessor's office would be required to expend in each cycle. There is no way to calculate the cost of attorney's fees from the appeals to general revenue, nor is there a way to estimate the increase in local spending due to additional postage.

State Tax Commission officials also note that they would be required to provide technological and instructional assistance to county officials, but would request additional resources as needed through budget decision items.

**Oversight** assumes there would be additional unknown costs to the County Assessor, Clerk, and Collector to administer the proposal. Oversight also assumes that counties may have significant but unknown additional costs to conduct assessment appeals, notify political subdivisions of assessed valuation changes, conduct physical inspections of properties, process credit card payments of taxes, and prepare written board of equalization reports. Oversight assumes there would be significant unknown costs for conducting elections to approve inflationary factors for tax rate adjustments.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>POLITICAL SUBDIVISIONS</b>			
<u>Cost</u> - Additional administrative cost to county assessor, collector, and clerk	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - local elections	(Unknown)	(Unknown)	(Unknown)
<b>NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<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 require counties and the City of St. Louis to notify taxing authorities of changes in assessed valuation by property subclass, exclude property formerly included in a different subclass from the new subclass for purposes of calculating tax allowable rates, require tax rate adjustments for taxing all authorities as if they were at their tax rate ceiling, and require Foundation Formula computations to be done at a blended tax rate. Voter approval would be required before an inflationary allowance could be used in determining tax rates. In addition, assessors would be required to provide written notice to taxpayers before physical inspection of property, and require certain procedures in physical inspections.

The proposal would authorize credit card payment of property taxes. The proposal would also place the burden of proof on an assessor to support assessed valuation, and would require written reports from boards of equalization in first class counties.

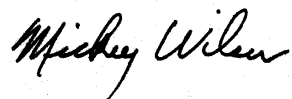
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

State Tax Commission  
City of Kansas City

NOT RESPONDING

Department of Revenue  
Office of Administration  
Division of Budget and Planning  
St. Louis County  
City of St. Louis  
Green County



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