

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3252-01
Bill No.: SB 806
Subject: Counties; County Government; Property, Real & Personal; Taxation & Revenue-Property
Type: Original
Date: December 21, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$600,000)	(\$600,000)	(\$600,000)
Total Estimated Net Effect on <u>All</u> State Funds	(\$600,000)	(\$600,000)	(\$600,000)

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			
*	\$0	\$0	\$0

* Significant offsetting revenues and costs.
 Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Tax Commission** assumed the following:

Utilized 1999 collection figures and applied the one half of one percent of collection fees pursuant to the proposed language and capped counties at one hundred thousand dollars. Additionally, assumed that all counties would maximize the reimbursement from the state and the state per parcel reimbursement would not change. Assumed a two percent increase on an annual basis for all counties that have not realized the 100,000 maximum.

Oversight assumes the withholding would be taken from political subdivisions and deposited to the respective county assessment funds.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Cost</u> - additional county assessment fund reimbursements.	(\$600,000)	(\$600,000)	(\$600,000)
NET EFFECT ON GENERAL REVENUE FUND	<u>(\$600,000)</u>	<u>(\$600,000)</u>	<u>(\$600,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Political Subdivisions</u>			
<u>Cost</u> - withholding	(\$5,585,468)	(\$5,697,147)	(\$5,811,809)
<u>County Assessment Funds</u>			
<u>Revenues</u> - withheld from political subdivisions	\$5,585,468	\$5,697,147	\$5,811,809
NET EFFECT ON POLITICAL SUBDIVISIONS	<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.

DESCRIPTION

This proposal would require a portion of property tax collections to be withheld and deposited into the county assessment fund and used for computer hardware and software, salaries and benefits, contract services, aerial photography, digital mapping, and a geographic information system (GIS). The counties are required to withhold one-half of one percent of collections, not to exceed \$100,000 in any calendar year.

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



Jeanne Jarrett, CPA
Director
December 21, 2001