

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2757-06
Bill No.: Truly Agreed to and Finally Passed HCS for SS for SCS for SB 960
Subject: Taxation and Revenue - Property; Auditor, State; Counties; Political
Subdivisions; Education, Elementary and Secondary
Type: Original
Date: May 18, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTIONS

Officials from the **Department of Revenue**, the **Office of Administration, Division of Budget and Planning**, the **State Tax Commission**, the **Office of the State Auditor**, and the **Missouri Senate on behalf of the Joint Committee on Administrative Rules** assume the proposal would have no impact on their organizations.

Officials from the **Office of the Cole County Assessor** (office) assume there would be no fiscal impact to their organization from the proposal. They stated there would be a significant effect from programming and administrative costs to county collectors and clerks.

Oversight assumes there could be significant cost to local governments as a result of this proposal, but that the local governments have the ability to choose whether or not they are subject to the proposal's requirements. Therefore, Oversight has indicated no cost to local governments.

ASSUMPTIONS (continued)

Although they did not respond to our request for information, officials from the **Office of the Secretary of State**, in response to a previous version of the proposal, assumed the proposal would have no impact on their organization.

Oversight assumes the rule-making requirement in the current version of the proposal would require rules to be promulgated by the Office of the State Auditor and published by the Office of the Secretary of State, but that those requirements could be met with existing resources. If the requirements are greater than anticipated or if additional similar proposals are passed, Oversight assumes those costs could be addressed through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<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 make clarifications to the property assessment law. The property tax rate reduction required for a county sales tax would be incorporated into the computation of the tax rate ceiling. The inflationary growth factor would be computed by subclass and would be limited to the actual increase in assessments but no more than the lesser of five percent or the change in the Consumer Price Index. Personal property tax levy rates could not be increased. Required property tax rate rollbacks would be allocated among the subclasses based on their relative assessed valuation. Real property assessed in a different subclass in the prior year would be certified separately by the county assessor. Tax rate worksheets would be prescribed by the State Auditor's Office by rule. Additional assessment fund withholding would be authorized for certain counties. Political subdivisions other than St. Louis County could vote to opt out of these provisions.

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

Department of Revenue
State Tax Commission
Office of the Secretary of State
Office of the State Auditor
Joint Committee on Administrative Rules
Office of the Cole County Assessor
Office of Administration
Division of Budget and Planning



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Director
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