

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5065-02
Bill No.: SB 1044
Subject: Cities, Towns, and Villages; Counties; Property - Real and Personal; Taxation - Property
Type: Original
Date: March 23, 2016

Bill Summary: This proposal modifies provisions required to be in nuisance abatement ordinances enacted by municipalities and counties.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** assume a savings should be experienced because posting will replace publication as the final means of notice. The amount of savings cannot be determined since it will be based on the number of failed personal or mail service attempts.

Officials at the **State Tax Commission** assume no fiscal impact from this proposal.

Officials at **St. Louis County** and the **Callaway County Commission** each assume no fiscal impact to their respective entities from this proposal.

In response to similar legislation from 2015, SCS for SB 387, officials at the **Platte County Board of Election Commissioners** and the **City of Jefferson** each assumed no fiscal impact to their respective entities from this proposal.

Oversight assumes this proposal modifies provisions required to be in nuisance abatement ordinances enacted by municipalities and counties. Oversight assumes actions by a governing body by ordinance could result in unknown costs to local political subdivisions. Costs to repair and maintain structures that are declared to be a nuisances are to be added to the annual real estate taxes of the property. It is possible that the taxes would not be paid in the same year the costs were expenses to the local political subdivision. Therefore, Oversight will reflect a \$0 or unknown cost for local political subdivisions. Oversight assumes any recovery of real estate taxes will go beyond this fiscal note period and would be an unknown positive.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Des Peres, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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LOCAL POLITICAL SUBDIVISIONS

<u>Costs - Local Political Subdivisions - ordinances to repair and maintain structures declared to be nuisances</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses.

FISCAL DESCRIPTION

Currently, a municipal or county nuisance ordinance must provide notice to the property owner or occupant by personal service or certified mail. This act allows for notice by mail so long as a signature from the recipient is required for delivery. In addition, current law provides that if service cannot be had by personal service or mail, then service may be had by publication. This act replaces service by publication with service by posting.

Currently, upon failure to commence work of reconditioning or demolition within a specified period of a time, a building commissioner shall call a hearing to determine if a building is a nuisance. Under this act, the building commissioner may call a hearing on determining if the building is a nuisance and giving the affected parties 10 days notice of a hearing, except in emergencies. Currently, certain orders regarding nuisance properties issued by the building commissioner or other designated officer are required to be certified by the city clerk or officer in charge of finance. This act provides that the building commissioner or other office certifies such orders.

Under this act, the costs the municipality or county incurs in demolishing, repairing, securing, or cleaning the property may be added to the annual real estate tax bill for the property, and must be collected in the same manner as real estate taxes are collected. This act also provides that if the

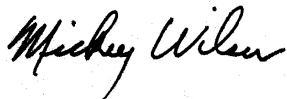
FISCAL DESCRIPTION (continued)

costs are not paid, the tax bill must be considered delinquent and collected in accordance with the laws governing delinquent and back taxes.

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

City of Kansas City
State Tax Commission
St. Louis County
Callaway County Commission
City of Jefferson
Platte County Board of Election Commission



Mickey Wilson, CPA
Director
March 23, 2016

Ross Strobe
Assistant Director
March 23, 2016