

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1655-01
Bill No.: SB 320
Subject: Cities, Towns and Villages; Counties; and Property, Real and Personal
Type: Original
Date: February 25, 2019

Bill Summary: This proposal modifies provisions relating to public nuisances.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of Kansas City** assume this legislation will have a negative fiscal impact on Kansas City because it alters the rights of the city to attach liens to any property that is added to the annual county real estate bill when delinquent. This change creates ambiguity in the City's rights to collect these delinquent taxes.

Oversight notes in subsections 4 and 5 of the proposal it states that the cost to remove or abate the public nuisance shall be recoverable and included on the annual real estate tax bill. Oversight is unclear on the number of potential public nuisances that could be a cost to the local political subdivision and/or when the costs would be recovered from the taxpayer. Oversight assumes if the charges are added to a taxpayer's property tax bill, the city/county may receive their reimbursement sooner than if filed as a lien. Therefore, Oversight will range the impact for this bill from unknown positive (costs may be recovered more quickly) to a negative unknown (removal of ability to place a lien on a property) to local political subdivisions.

Oversight also notes that in subsection 7 of the proposal, the local political subdivision shall adopt an ordinance for the policy and notification on the removal of overgrown vegetation and noxious weeds. The proposal does not clarify if the cost would also be recoverable to the local political subdivision. Oversight would then assume the cost would be the responsibility of the local political subdivision. Therefore, Oversight will assume a potential cost to the local political subdivision for this subsection of the proposal.

Officials at the **Office of the State Courts Administrator**, the **Department of Natural Resources**, the **State Tax Commission**, the **Department of Public Safety - Office of the Director** and the **Department of Health and Senior Services** each assume no fiscal impact to their respective agencies from this proposal.

Oversight notes that the Office of the State Courts Administrator, the Department of Natural Resources, the State Tax Commission, the Department of Public Safety - Office of the Director and the Department of Health and Senior Services each has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> - unrecoverable costs and no liens against property nuisance removal	(Unknown)	(Unknown)	(Unknown)
<u>Revenue</u> - from special tax bill charged for property nuisance removal	Unknown	Unknown	Unknown
<u>Cost</u> - for the removal of overgrown vegetation and noxious weeds by the local political subdivisions	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL IMPACT - Small Business

This proposal could have a negative fiscal impact to small businesses that rent property.

FISCAL DESCRIPTION

This act modifies the notice given to a property owner that is seeking the abatement of any nuisance on their property. Additionally, this act repeals a provision requiring notice be given to the occupant of the property instead of the owner of the property in certain circumstances. If the nuisance on the property is overgrown vegetation or weeds that are seven inches or more in height, this act provides a municipality or county may provide one time notice to the property owner in a manner that is only available for this particular nuisance.

This act modifies what are considered recoverable costs from the property owner. These recoverable costs include, but are not limited to, title report fees, mailings and postings, administrative fees, and contractor fees.

A special tax bill for purposes of this act is both a personal debt of the property owner and a lien against the property. Also, a special tax bill shall bear interest at the legal rate and may be foreclosed upon by the municipality or county in circuit court. Costs added to the real estate tax bill of the property owner are additions to the tax already owed by the owner, and are not considered a municipal lien. However these additions will run with the land and shall not be extinguished by the transfer of the property.

FISCAL DESCRIPTION (continued)

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
Office of the State Courts Administrator
Department of Natural Resources
State Tax Commission
Department of Public Safety
 Office of the Director
Department of Health and Senior Services



Kyle Rieman
Director
February 25, 2019

Ross Strobe
Assistant Director
February 25, 2019