

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4139-01
Bill No.: SB 1060
Subject: Collectors: Fees
Type: Original
Date: February 8, 2002

FISCAL SUMMARY

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

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 to Unknown	\$0 to Unknown	\$0 to Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Auditor's Office** and the **State Tax Commission** assume no fiscal impact

The **Greene County Collector** stated that this proposal would have no fiscal impact to the County's General Revenue Fund.

The **Phelps County Collector** stated that their office would have to make some software changes the first year. Officials estimated the costs of those changes at \$2,500 to \$5,000.

Officials of the **County Employees' Retirement System** stated that this proposal would have no fiscal impact to their system.

Section 52.250: Oversight assumes that the provisions of the Sections 52.250 would decrease the percentage that County Collectors in Second and Fourth Class Counties would retain from total collections, for mailing statements on current and current delinquent taxes, exclusive of railroad and utility taxes. Oversight assumes that by decreasing the percentage from 1% to ½ of 1% would have negative impact to the County's General Revenue Fund. On a statewide basis it is not possible to estimate the impact, however, the impact would cut the amount of fees retained in half. The loss of income would be to the County's GR Fund. Taxing jurisdictions would experience an increase in revenue due to the reduction of taxes withheld by the Collector. This would only apply to counties that would become Second and Fourth Class Counties after September 28, 2002 or for 10 Months of FY 2003.

Section 52.260: Although in certain monetary categories some counties would retain a greater portion of fees than currently retained, the net effect would be \$0 fiscal impact to Local Governments. Oversight assumes the amount of fees retained by certain Collectors would increase the county's GR Fund and would reduce the amount returned to taxing jurisdictions by an equal amount, therefore, Oversight will not show this in the fiscal impact portion of this fiscal note, because the net effect would be \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Local Government

FY 2003
 (10 Mo.)

FY 2004

FY 2005

**CERTAIN COUNTIES GENERAL
 REVENUE FUND**

Income to Certain Counties GR Fund
 from year-end Tax Maintenance Fund
 balance transfer (Section 52.317 and
 54.327) *

\$0 to Unknown **\$0 to Unknown** **\$0 to Unknown**

*** Transfer would only occur after
 certain criteria were met.**

CERTAIN COUNTY COLLECTORS

Income to Certain Collectors
 2% additional fee on delinquent tax

Unknown Unknown Unknown

Transfer to Tax Maintenance Fund
 from 2% fee

(Unknown) (Unknown) (Unknown)

**ESTIMATED NET EFFECT TO
 COLLECTORS**

\$0 **\$0** **\$0**

**CERTAIN COUNTY'S TAX
 MAINTENANCE FUND**

Income to Tax Maintenance Fund
 from County Collector 2%

Unknown Unknown Unknown

Cost to Tax Maintenance Fund
 funding additional cost to Collector

(Unknown) (Unknown) (Unknown)

**ESTIMATED NET EFFECT TO
 CERTAIN COUNTIES TAX
 MAINTENANCE FUND ***

\$0 to Unknown **\$0 to Unknown** **\$0 to Unknown**

***Transfer of year-end balance would
 only occur after certain criteria were
 met.**

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

**ESTIMATED NET EFFECT TO
LOCAL GOVERNMENT**

\$0 to Unknown \$0 to Unknown \$0 to Unknown

FISCAL IMPACT - Small Business

Small business that would have delinquent property taxes would be expected to pay an additional 2% penalty.

DESCRIPTION

This act revises the fees to be collected by certain County Collectors for all current and delinquent taxes collected as compensation for mailing the statement and receipts. County Collectors in counties not having a township organization are also authorized to collect a certain percentage of fees for the collection of taxes on behalf of the county. The act increases the additional fee from five to seven percent for collection of delinquent and back taxes to be collected from the taxpayer in all counties except St. Louis, St. Charles and Jackson counties and the City of St. Louis.

In all counties except St. Louis, St. Charles and Jackson and the City of St. Louis, the county shall establish a "Tax Maintenance Fund". Two percent of the fee collected for delinquent and back taxes shall be deposited in the fund and shall be used by the Collector to fund additional costs and expenses incurred by the County Collector. The act provides limits on the amount of money that can remain in the fund at the end of each fiscal year. Any money in excess of that limit shall be transferred to the general revenue fund of the county.

A similar "Tax Maintenance Fund" shall be created in third and fourth class counties adopting a township organization that have a County Treasurer Ex Officio Collector.

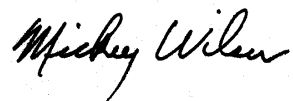
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Auditor
State Tax Commission
Greene County Collector
Phelps County Collector
County Employees' Retirement System

NOT RESPONDING

The Collectors of Revenue of: Callaway, Newton, Cass, Johnson, Pettis, Carroll, Marion, Pulaski, Texas, Stoddard, Mississippi, Buchanan, Boone, Atchison, St. Louis, and Jackson Counties.



Mickey Wilson, CPA
Acting Director
February 8, 2002