

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4105-04
Bill No.: Truly Agreed To and Finally Passed SCS for HB 1634
Subject: Property, Real and Personal, Taxation and Revenue - General
 Taxation and Revenue - Property
Type: #Corrected
Date: June 4, 2002
 #Corrected for additional fiscal impact of amendment.

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	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

FISCAL ANALYSIS

ASSUMPTION

HB 1634

Officials from the **Department of Revenue** assume this proposal would have no fiscal impact on their organization.

Officials from the **City of Kansas City** assume this proposal would have negligible fiscal impact on their organization.

In response to a prior version of this proposal, officials from the **State Tax Commission** assumed this proposal would have no fiscal impact on their organization.

Officials from the **St. Louis County**, the **City of St. Louis**, and **Greene County** did not respond to this proposal.

Oversight assumes this proposal would have no fiscal impact on the state, and minimal fiscal impact on those political subdivisions with land trusts. Oversight assumes the political subdivisions with land trusts could meet the requirements of this provision with existing resources.

HB 1795

In response to a prior version of this proposal, officials from the **Office of the Attorney General** stated that they could accomplish duties under terms of this proposal with existing resources.

In response to a prior version of this proposal, officials of the **Department of Natural Resources** indicated that they assumed the values of the properties exchanged are approximately equal; therefore, there would be no fiscal impact.

Senate Amendment No. 1

In response to a previous version of this proposal, officials of the **State Auditor's Office** and the **State Tax Commission** assume no fiscal impact.

In response to a previous version of this proposal, the **Cass County Collector** stated that Section 52.290 would increase revenue to the County's Tax Maintenance Fund. The Collector stated that the amount of revenue that would be realized by the 2% fee is Unknown.

ASSUMPTION (continued)

Section 52.250: The **New Madrid County** and **Callaway County Collectors** assume no fiscal impact from this Section. The **Newton County Collector** stated that as a Class 3 County his

office collected a fee of $\frac{1}{2}$ of 1% on current and current delinquent taxes, for mailing said statements and receipts. When the County changed its classification to a Class 2 County no fee was allowed and at that time (January 1, 2001) the county lost revenue from not being able to collect the mailing fee. The Collector assumes that language contained in Section 52.250 would once again allow his office to collect a fee of $\frac{1}{2}$ of 1% on all current and current delinquent taxes for compensation of mailing statements and receipts. The Collector of Newton County estimated annual revenue generated by the $\frac{1}{2}$ of 1% fee at \$35,000 to \$38,000.

Oversight assumes that currently Section 52.250 would affect only one of the three Second Class Counties in the state. Newton County would once again be allowed to collect a mailing fee of $\frac{1}{2}$ of 1%. Oversight will show income to Certain County's General Revenue Fund (Newton County) from the provisions of Section 52.250 as \$0 or a positive Unknown.

Oversight assumes that there would be 5 fourth class counties, (Lafayette, Saline, Johnson, Pettis, and St. Francois), that would be affected by Section 52.250. Oversight assumes that this proposal repeals language in Section 52.250 that grants authority to County Collectors in fourth class counties to retain a fee of 1% of all current and current delinquent taxes as compensation for mailing statements and receipts. Oversight assumes that this would create a loss of income to 5 existing fourth class counties General Revenue Fund. Oversight assumes that political subdivisions in those existing fourth class counties would realize savings from not having to pay a 1% collection fee. Oversight is unable to estimate the actual loss of income and savings and will show them as Unknown.

New language in Section 52.250 provides that counties which become counties of the second and fourth class after December 31, 2000 would be allowed to retain a $\frac{1}{2}$ of 1% collection fee. Therefore, Oversight will show income to second and fourth class counties that would obtain a second or fourth class status after December 31, 2000 as Unknown.

ASSUMPTION (continued)

Section 52.290: **Oversight** assumes that there are 3 Second Class Counties. Oversight talked to the 3 Second Class County Collectors to determine the fiscal impact of this proposal. The **Callaway County Collector** stated that Callaway County obtained the Second Class status prior to December 31, 2000 and this section would have no fiscal impact. **New Madrid County Collector** assumed there would be no fiscal impact. The **Newton County Collector** stated that Newton County went from a county of the Third Classification to a county of the Second Classification on January 1, 2001 and assumes this proposal would have fiscal impact. The Collector stated that **Section 52.290** would allow for the collection of a 7% rather than 5% fee on delinquent and back taxes and would generate additional revenue for the County's Tax Maintenance Fund. The Collector estimated the additional revenue generated at approximately \$25,000 to \$30,000 annually in Newton County.

Oversight assumes Sections 52.290 and 52.312 establishes a County Tax Maintenance Fund in all counties except the City of St. Louis, and any county of the First Classification with a charter form of government, (Jackson County, St. Louis County, and St. Charles County). Section 52.290 provides for an additional 2% fee on delinquent and back taxes which would be deposited into the County Tax Maintenance Fund. Oversight will show income from the additional 2% fee as Unknown. The revenue generated by the fee would be used for defraying additional costs and expenses of the Collector (Section 52.312). Oversight will show the costs of defraying additional cost and expense as (Unknown).

Oversight assumes there could be additional income to the County's General Revenue Fund due to a year-end balance transfer of funds in the County's Tax Maintenance Fund (Section 52.317). Oversight will show fiscal impact to certain county's General Revenue Fund as \$0 or Unknown.

Oversight assumes that the provisions of Section 52.290.3 which allows the County Collector to accept credit cards is discretionary and would have no fiscal impact.

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

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
# Income to Certain Counties GR Fund from year-end Tax Maintenance Fund balance transfer (Section 52.317 and 54.327) *	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
* Transfer would only occur after certain criteria were met.			
# Income to Certain Collectors 2% additional fee on delinquent tax (Section 52.290)	Unknown	Unknown	Unknown
# Transfer to Tax Maintenance Fund from 2% fee (Section 52.312)	(Unknown)	(Unknown)	(Unknown)
# Income to Tax Maintenance Fund from County Collector 2%	Unknown	Unknown	Unknown
# Cost to Tax Maintenance Fund defraying additional cost to Collector	(Unknown)	(Unknown)	(Unknown)
# Loss to General Revenue Fund from repeal of authority of Collector to retain a 1% collection fee. (Section 52.250)	(Unknown)	(Unknown)	(Unknown)
# Savings to Political Subdivisions from repeal of law that requires payment of 1% collection fee. (Section 52.250)	Unknown	Unknown	Unknown
# Income to Certain Second and Fourth Class Counties General Revenue Fund from ½ of 1% collection fee	Unknown	Unknown	Unknown
# ESTIMATED NET EFFECT TO LOCAL GOVERNMENT	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

HB 1634

This proposal would change expense funding requirements for certain land trusts. The proposal would require the county and the municipalities to advance funds to the land trust if land trust funds are inadequate to meet its expenses, would authorize performance audits of land trusts, and would authorize land trusts to retain adequate funds to meet budgeted expenditures.

HB 1795

This proposal would authorize the Department of Natural Resources to convey described state properties located in the Battle of Athens State Historic Site, Cuivre River State Park, Washington State Park, and land in Jefferson County to parties listed in the proposal in exchange for other properties from those specified parties.

Senate Amendment No. 1

This proposal would allow counties which become second or fourth class counties after December 31, 2000 to continue to retain one-half of current taxes collected as if the county had retained its third or fourth class status. It would also allow county collectors to accept credit card payments and charge an additional fee not to exceed the collector's credit card bank fee.

The proposal would establish the County Tax Maintenance Fund and tax penalties collected and deposited to the fund would be under the control of the County Collector for operations of the collector's office. The proposal would increase delinquent tax penalties from five percent to seven percent with the additional two percent to be paid into the County Tax Maintenance Fund. The proposal would allow township counties to collect an additional two percent penalty on delinquent and back taxes for deposit into the County Tax Maintenance Fund. The proposal would allow St. Charles County to charge a delinquent tax penalty of three percent. Two-thirds of these penalties would be deposited to the general fund and one-third would be deposited to the County Tax Maintenance Fund.

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
County Employees' Retirement System

Callaway County Collector
Newton County Collector
New Madrid County Collector
Cass County Collector
Department of Revenue
City of Kansas City
Office of the Attorney General
Department of Natural Resources

NOT RESPONDING

St. Louis County
City of St. Louis
Greene County



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Acting Director
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