

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1353-01
Bill No.: HJR 16
Subject: Constitutional Amendments; State Tax Commission; Taxation and Revenue -
 General; Taxation and Revenue - Property;
 Veterans
Type: Original
Date: March 17, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	\$0	(\$34,850)	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	(\$34,850)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Blind Pension	\$0	\$0	(Unknown)
Total Estimated Net Effect on Other State Funds	\$0	\$0	(Unknown)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government *	\$0	\$0	(Unknown)

* expected to exceed \$100,000.

FISCAL ANALYSIS

ASSUMPTION

Although they did not respond to our request for information on this proposal, officials from the **Department of Revenue**, in response to a similar proposal, assumed the proposal would have no impact on their organizations. Officials from the Department of Revenue noted that this proposal could affect total state revenue by exempting property that is currently being taxed.

Officials from the **Office of the Secretary of State (SOS)** assume statewide newspaper publication of constitutional amendments would cost approximately \$1,161 per column inch, based on an estimate provided by the Missouri Press Service. SOS assumes this amount should be tripled, for multiple printings as required by the state constitution and state statutes, for a total of \$3,485 per column inch. Finally, SOS estimates this amendment to be approximately 10 inches including a title header and certification paragraph. [\$3,485 x 10 = \$34,850]

ASSUMPTION (continued)

Officials from the **State Tax Commission** assume this proposal would reduce tax revenues for political subdivisions, but they are unable to estimate the impact of this proposal because they do not have any information regarding the number of veterans' organizations or the amounts of taxable property they own.

Officials from the **Cole County Assessor's Office** assume the proposal would have no impact on their office or on political subdivisions in Cole County since property owned by veterans' organizations is not currently being assessed or taxed.

Oversight assumes the proposal would be submitted to the voters in November 2004. Oversight also assumes there would be an unknown reduction in political subdivision revenues as a result of this proposal, and an impact to the state Blind Pension Fund of approximately one-half of one percent of the impact to political subdivisions. Any impact to tax revenues would begin in FY 2006 since 2004 taxes collected in FY 2005 would already be determined before the November 2004 election.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Cost - Secretary of State</u>			
Publication cost	<u>\$0</u>	<u>(\$34,850)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$34,850)</u>	<u>\$0</u>
BLIND PENSION FUND			
<u>Revenue reduction</u>			
Property taxes	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON BLIND PENSION FUND	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
POLITICAL SUBDIVISIONS			

Revenue reduction

Property taxes *	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
POLITICAL SUBDIVISIONS ***

	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
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* expected to exceed \$100,000.

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would propose an amendment to the state constitution to exempt property owned by veterans' organizations from property taxation. The amendment would be submitted to the voters in the November 2004 general election, or at a special election to be called by the governor.

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

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SOURCES OF INFORMATION

Secretary of State
State Tax Commission
Cole County Assessor's Office

NOT RESPONDING

Department of Revenue



Mickey Wilson, CPA
Director
March 17, 2003