

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 1397-01  
BILL NO.: HJR 15  
SUBJECT: CONSTITUTIONAL AMENDMENTS: TAXATION AND  
REVENUE - PROPERTY  
TYPE: ORIGINAL  
DATE: MARCH 17, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS			
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	(COULD EXCEED \$100,000)

TOTAL ESTIMATED NET EFFECT ON <u>ALL OTHER</u> STATE FUNDS	\$0	\$0	(COULD EXCEED \$100,000)
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NUMBERS WITHIN PARENTHESES: ( ) INDICATE COSTS OR LOSSES.  
THIS FISCAL NOTE CONTAINS 7 PAGES.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
TOTAL ESTIMATED NET EFFECT ON ALL 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 PER FISCAL YEAR.

### FISCAL ANALYSIS

#### ASSUMPTION

OFFICIALS OF THE STATE TAX COMMISSION INDICATED THAT THE PROPOSAL WOULD NOT HAVE ANY DIRECT ADMINISTRATIVE EFFECTS ON THEIR AGENCY.

ACCORDING TO THE FIFTY-SIXTH ANNUAL REPORT OF THE PROCEEDINGS AND DECISIONS OF THE STATE TAX COMMISSION OF MISSOURI FOR THE YEAR ENDING DECEMBER 31, 2001, THE ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY IN MISSOURI WAS \$16,630,804,836. THE ASSESSED VALUE OF MOTOR VEHICLES INCLUDING RECREATIONAL VEHICLES WAS \$9,380,820,011.

THE REMAINING \$7,249,984,825 WORTH OF ASSESSED VALUE WOULD BE POTENTIALLY TAX EXEMPT.

OVERSIGHT HAS NO EMPIRICAL BASIS UPON WHICH TO ESTIMATE EITHER HOW MANY PIECES OF TANGIBLE PERSONAL PROPERTY HAVE A VALUE OF LESS THAN \$5,000 OR HOW MUCH PERSONAL PROPERTY IS HELD BY MANUFACTURERS, REFINERS, DISTRIBUTORS, WHOLESALERS, RETAIL MERCHANTS OR ESTABLISHMENTS OR COMMERCIAL BUSINESS ORGANIZATIONS.

ASSUMING AN AVERAGE PROPERTY TAX RATE OF \$6 PER \$100 ASSESSED VALUATION, THE LOSS TO POLITICAL SUBDIVISIONS COULD NOT BE AS GREAT AS:

$\$7,249,984,825 / \$100 \times \$6 = \$434,999,090$

ASSUMPTION (CONTINUED)

AND THE LOSS TO THE BLIND PENSION FUND COULD NOT BE AS GREAT AS:

$\$7,249,984,825 / \$100 \times \$0.03 = \$2,174,995.$

OVERSIGHT ASSUMES THAT BECAUSE THE EXEMPTION WOULD BE IN PLACE FOR 2005 ASSESSMENTS LOSSES WOULD FIRST BE FELT IN FY 2006. OVERSIGHT ALSO ASSUMES THAT LOSSES TO THE BLIND PENSION FUND COULD EXCEED \$100,000 BECAUSE THAT WOULD BE THE LOSS IF MORE THAN 4.5% OF POSSIBLY AFFECTED TANGIBLE PERSONAL PROPERTY BECAME TAX-EXEMPT.

SECRETARY OF STATE OFFICIALS STATED THAT ADVERTISEMENT COSTS FOR THE PROPOSAL WOULD BE \$3,485 PER COLUMN INCH FOR THREE PRINTINGS OF THE TEXT OF THE PROPOSAL, THE INTRODUCTION, FISCAL NOTE SUMMARY, AND AFFIDAVIT. THE PROPOSAL WOULD BE ON THE BALLOT FOR THE NOVEMBER 2004 GENERAL ELECTION.

FISCAL IMPACT - STATE  
GOVERNMENT

FY 2004

FY 2005

FY 2006

GENERAL REVENUE FUND

<u>COST TO SECRETARY OF STATE</u> NEWSPAPER ADVERTISEMENTS	\$0	(\$34,850)	\$0
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$34,850)</u>	<u>\$0</u>
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BLIND PENSION FUND

<u>LOSS - EXEMPT PERSONAL PROPERTY</u>	\$0	\$0	(COULD EXCEED \$100,000)
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ESTIMATED NET EFFECT ON BLIND PENSION FUND	<u>\$0</u>	<u>\$0</u>	<u>(COULD EXCEED \$100,000)</u>
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A handwritten signature in cursive script that reads "Mickey Wilson".

MICKEY WILSON, CPA  
DIRECTOR  
MARCH 17, 2003

GVB:LR:OD (12/00)