

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5399-01  
Bill No.: HB 2373  
Subject: Fire Protection, Taxation and Revenue - Property  
Type: Original  
Date: March 30, 2010

Bill Summary: Would change the method of calculation for revising tax levy rates.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the State Auditor** (SAO) assume this proposal would require their organization to revise the current tax rate forms and educate taxing authorities on the changes, and would generate calls in regards to the change. SAO officials estimated that the additional duties in relation to this bill would require 1 FTE Staff Auditor I in the Tax Rate section.

**Oversight** notes that this proposal would change the method of computing the tax rate levy limit for a local government which has received voter approval for a tax increase after August 27, 2008. Accordingly, Oversight assumes this proposal would require changes to the tax limit calculation for a limited number of taxing authorities and that SAO could absorb the additional responsibilities with existing resources. If unanticipated additional effort is incurred or if multiple proposals are implemented which increase the SAO workload, resources could be requested through the budget process.

Officials from the **Office of Administration, Division of Budget and Planning**, assume there would be no added cost to their organization as a result of this proposal. This proposal would modify certain provisions governing the calculation of local tax rates. This proposal would not impact general and total state revenues.

Officials from the **Department of Revenue**, the **City of Centralia**, and the **Special School District of St. Louis County** assume this proposal would have no fiscal impact on their organizations.

Officials from the **City of Kansas City** assume this proposal could have a negative impact on their organization of an indeterminate amount.

Officials from the **Office of the Secretary of State** did not respond to our request for information.

**Oversight** is not able to determine whether this proposal would result in any increase or decrease in a local government tax rate, and will indicate a fiscal impact from unknown positive to unknown negative.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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**LOCAL GOVERNMENTS**

<u>Revised tax rate limit calculation</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The proposed legislation would change the method of calculation for revising tax levy rates.

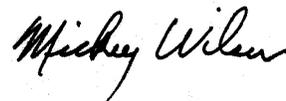
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Auditor  
Office of Administration  
    Division of Budget and Planning  
Department of Revenue  
City of Centralia  
City of Kansas City  
Special School District of St. Louis County

NOT RESPONDING

**Office of the Secretary of State**



Mickey Wilson, CPA  
Director  
March 30, 2010