

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4223-01  
Bill No.: HB 1433  
Subject: Taxation and Revenue - General; Taxation and Revenue - Sales and Use;  
 Revenue, Department Of; Cities, Towns, and Villages  
Type: Original  
Date: February 3, 2014

Bill Summary: This proposal would require tax districts to report to the Department of Revenue their non-confidential tax rate and revenue collection information for display on the department's website.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 32.150 RSMo. - Tax Information Reporting System

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Joint Committee on Administrative Rules** assume that this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Department of Revenue (DOR)** did not respond to our request for information; however, in response to a similar proposal in the previous session (HB 809 LR 2009-01), DOR officials provided the following response.

DOR officials noted the proposal would require each taxing jurisdiction in the state to report to the department all tax rate and revenue collection information pertaining to the jurisdiction.

The department would display, in an itemized fashion, any non-confidential information regarding each jurisdiction's tax rates and revenue collections as submitted by the taxing jurisdictions, on its website. The information would also be used by the department for oversight purposes, including verification of compliance, completeness, and accuracy in reporting with any applicable provisions of law.

The department would create rules to implement the proposal.

ASSUMPTION (continued)

The DOR response discussed part of the information that would be required to implement the proposal, and DOR officials assumed they would require one additional staff person and incur IT cost of \$20,450 for 756 hours of programming to make changes to DOR systems. The DOR cost estimate totaled \$60,622 for FY 2014, \$41,458 for FY 2015, and \$41,901 for FY 2016.

**Oversight** assumes virtually all the information required by this proposal is currently available online or in published reports; however, it is not in consolidated form and may not be readily available to the general public. Oversight assumes most of the required information could be made available with links from the Department of Revenue website to the State Tax Commission website and the Office of the State Auditor website. The balance of the information could likely be obtained by the Department of Revenue with an online entry system for local governments to report any additional information that is required.

**Oversight** also assumes virtually all of the compliance and oversight requirement could be automated, and additional staff requirements would be minimal. If unanticipated costs are incurred or if multiple proposals are implemented which increase the DOR workload, resources could be requested through the budget process.

**Oversight** assumes the cost to develop and operate such a system would be less than \$100,000 per year and for fiscal note purposes will include such cost for the Department of Revenue.

For fiscal note purposes, **Oversight** will also include a cost to local governments of less than \$100,000 per year for staff time to report information on the DOR system.

Officials from the **City of O'Fallon** responded to our request for information but did not provide an estimate of the fiscal impact to their organization.

Officials from **Cole County**, the **Fulton School District**, and the **DeSoto Rural Fire Protection District** assume this proposal would have minimal impact on their organizations.

Officials from the **City of Columbia** assume this proposal would have little, if any, impact on their organization.

ASSUMPTION (continued)

Officials from the **Office of the State Auditor, Linn State Technical College, Platte County, St. Louis County, Jefferson City, St. Charles County Ambulance District, the Johnson County R-VII School District, the Allen Village School District, the Francis Howell School District, the Springfield School District, the Platte County Board of Elections, and the St. Louis County Directors of Elections** assume this proposal would have no fiscal impact on their organizations.

Officials from the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne and Worth did not respond to our request for information.

Officials from the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kansas City, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to our request for information.

Officials from the following school districts: Blue Springs, Branson, Charleston R-I, Cole R-I, Columbia, Fair Grove, Harrison R-IX, Independence, Jefferson City, Kansas City, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to our request for information.

Officials from the following colleges: Crowder College, East Central Community College, Jefferson College, Kansas City Metro Community College, Moberly Area Community College, State Fair Community College, St. Charles Community College, St. Louis Community College, and Three Rivers Community College did not respond to our request for information.

ASSUMPTION (continued)

Officials from the following fire protection districts: Battlefield Fire Protection District, Central County Fire and Rescue, Centralia Fire Department, Creve Couer Fire District, Hawk Point Fire Protection District, Hillsboro Fire Protection District, Lake St. Louis Fire District, Mehlville Fire District, Nixa Fire Protection District, Saline Valley Fire Protection District, and the Southern Iron County Fire Protection District did not respond to our request for information.

Officials from the following hospitals: Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Hospital, Excelsior Springs Medical Center, Putnam County Memorial Hospital, and Washington County Memorial Hospital did not respond to our request for information.

Officials from the Taney County Ambulance District and the Valle Ambulance District did not respond to our request for information.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DOR</u>			
Public tax information system			
Staff and IT cost	(Less than	(Less than	(Less than
Section 32.150	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
<b>ESTIMATED NET EFFECT ON</b>	<b>(Less than</b>	<b>(Less than</b>	<b>(Less than</b>
<b>GENERAL REVENUE FUND</b>	<b><u>\$100,000)</u></b>	<b><u>\$100,000)</u></b>	<b><u>\$100,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>LOCAL GOVERNMENTS</b>			
<u>Cost - Local governments</u>			
Public tax information system			
Staff cost	(Less than	(Less than	(Less than
Section 32.150	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b>(Less than <u>\$100,000)</u></b>	<b>(Less than <u>\$100,000)</u></b>	<b>(Less than <u>\$100,000)</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal would require every tax district in the state to report to the Department of Revenue its tax rate and revenue collection information. The department would use the information to provide oversight, including the verification of compliance, completeness, and accuracy in reporting, and would display each district's non-confidential information on its website in an itemized fashion.

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 Secretary of State  
Office of the State Auditor  
Joint Committee on Administrative Rules  
Linn State Technical College  
Cole County  
Platte County

SOURCES OF INFORMATION (continued)

St. Louis County  
City of Columbia  
Jefferson City  
City of O'Fallon  
Allen Village School District  
Francis Howell School District  
Fulton School District  
Johnson County R-VII School District  
Springfield School District  
DeSoto Rural Fire Protection District  
Platte County Board of Elections  
St. Charles County Ambulance District  
St. Louis County Directors of Elections

**Not responding:**  
Department of Revenue

Mickey Wilson, CPA  
Director  
February 3, 2014



Ross Strope  
Assistant Director  
February 3, 2014