

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4818-01  
Bill No.: HB 1199  
Subject: Counties; Taxation and Revenue - Property; Roads and Highways  
Type: Original  
Date: January 28, 2014

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Bill Summary: This proposal authorizes Shelby and Monroe Counties to collect a property tax to pay for road rock on county roads.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 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>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at **Shelby County** assume this proposal would authorize the County Commission to charge up to \$1.00 per acre of tax on land in Shelby County per year for road rock. This amount could generate up to \$300,000 per year in revenue depending on where the Commission set the rate of collection. The cost of rock has doubled in the last 7 years and, over the same period, our revenue has gone up very little. We have cut our rock application down from 125 tons per mile per year to 70 tons per mile per year over the last 5 years. Officials at Shelby County also assume a cost between \$5,000 and \$10,000 to hold an election on this proposal.

**Oversight** assumes this proposal is discretionary and would have no local fiscal impact without action from the governing body. Oversight assumes the election would be at a regularly scheduled election and no special election would be needed.

Officials at the **State Tax Commission** and the **Office of the Secretary of State** each assume no fiscal impact to their respective agencies from this proposal.

Officials at Monroe County did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**FISCAL IMPACT - Small Business**

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

**FISCAL DESCRIPTION**

NM:LR:OD

The proposed legislation appears to have no direct fiscal impact.

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

State Tax Commission  
Office of the Secretary of State  
Shelby County



Mickey Wilson, CPA  
Director  
January 28, 2014

Ross Strobe  
Assistant Director  
January 28, 2014