

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2922-01
Bill No.: HB 902
Subject: County Officials; Property, Real and Personal; Taxation and Revenue - Property
Type: Original
Date: January 9, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$240,000	\$480,000	\$480,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume there would be no impact to their organization.

Officials from the **State Tax Commission** assume this proposal would create a certificate of value system. A form to be designed and supplied by the commission must be completed at the time any residential or commercial real property conveyed. Such form must be delivered to and filed by the county assessor. The proposal includes a \$10.00 additional fee payable at the time of filing.

Assuming there are 2.4 million parcels of residential and commercial real property in the state of Missouri, and assuming that 2% of that property is transferred annually, the commission estimates that an additional \$480,000 in revenue could be generated for the counties. The commission estimates the cost of approximately 200,000 forms to be \$2,000, which the commission assumes can be absorbed from existing resources.

ASSUMPTION (continued)

Oversight assumes that County Assessors and Recorders would have administrative impact associated with record keeping, filing certificates, and maintaining files. Oversight assumes any additional cost would be nominal and could be absorbed with existing resources or from the additional fees created by the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	<u>FY 2004</u> (6 Mo.)	<u>FY 2005</u>	<u>FY 2006</u>
LOCAL GOVERNMENT			
<u>Income</u> - to Counties			
Filing fees	<u>\$240,000</u>	<u>\$480,000</u>	<u>\$480,000</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$240,000</u>	<u>\$480,000</u>	<u>\$480,000</u>

FISCAL IMPACT - Small Business

Small businesses involved in law, real estate sales, and title insurance or abstract services would be impacted by this proposal.

DESCRIPTION

This proposal would create a statewide certificate of value process. Certificates would be filed with the assessor's office for most real estate transactions at the time the transfer of property is recorded, including the actual amount of consideration and a statement of actual or intended use of the property. No deed could be accepted by a Recorder of Deeds unless the deed indicated that a completed certificate of value was filed with the Assessor, and an additional fee for the certificate of value would be charged. Completed certificates of value would be made available to the State Tax Commission. The bill makes certain exemptions from the requirements and sets penalties for violations. The bill has an effective date of January 1, 2005.

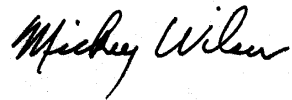
DESCRIPTION (continued)

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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
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 9, 2004