

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0352-01  
Bill No.: HB 76  
Subject: Counties; Property, Real and Personal; State Tax Commission; Taxation and Revenue - General; Taxation and Revenue - Property  
Type: Original  
Date: January 12, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<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.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

### FISCAL ANALYSIS

#### ASSUMPTIONS

Officials from the **State Tax Commission** assume this legislation would have no state fiscal impact. However, the Jackson County Collector's Office will have to develop necessary procedures to process installment payments on real property taxes and should be able to provide any fiscal impact.

Officials from the **Department of Revenue** assume this legislation would not have a direct impact on their organization since this legislation deals with property taxes that are paid and collected by the counties.

Officials from the **Office of the Jackson County Collector of Revenue** did not respond to our request for information.

In response to a similar proposal in a prior session, officials from the **Kansas City Manager's Office** assumed the proposal would not reduce tax revenues, but receipt of some tax revenue would be delayed. Officials assume this would hinder the City's budgeting process.

ASSUMPTIONS (continued)

In response to a similar proposal in a prior session, officials from the **School District of Kansas City** stated that any slowdown in revenue collections would cause serious negative impact on the District's cash flow.

**Oversight** assumes this proposal would have an unknown negative fiscal impact to the Jackson County Collector's Office, and also to the taxing authorities in Jackson County which would have taxes paid in installments. Oversight assumes this proposal would be implemented in December 2005 for 2005 taxes, and that the impact to the Blind Pension Fund would be minimal.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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**POLITICAL SUBDIVISIONS**

<u>Cost - Jackson County Collector</u> Administration	(Unknown)	(Unknown)	(Unknown)
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<u>Revenue reduction - Taxing Authorities in Jackson County</u> Lost interest income due to delayed tax distributions	(Unknown)	(Unknown)	(Unknown)
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<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

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

## DESCRIPTION

This proposal would require the Jackson County Collector of Revenue to allow taxpayers with hardships to pay property taxes in installments:

- A. The county collector would be required to allow for the payment of all or any part of current and delinquent real property taxes, in equal monthly or quarterly installments over a period of time not greater than one year.
- B. Installment payments would be available for real property used as the owner's principal residence, or by all joint owners as their principal residence; and where the taxpayer is, at the time of application for installment payments, experiencing a hardship.
- C. For the purposes of this section, the term "hardship" includes owners who have been unemployed during the three-month period prior to the due date of the real property taxes; and taxpayer with Missouri adjusted gross income of less than fifteen thousand dollars for an individual or combined Missouri adjusted gross income less than twenty thousand dollars for joint owners.
- D. Delinquent taxes would bear interest at the rate provided by section 140.100, RSMo, and would be subject to the fees provided by law.
- E. A monthly or quarterly installment payment would not be deemed delinquent unless it is beyond thirty days past due.
- F. The county official charged with the duties of the collector would issue receipts for any installment payments.
- G. Installment payments made at any time during a tax year would not affect the taxpayer's right to protest the amount of such tax payments under applicable provisions of law.
- H. Installment payments would not apply to payment for real property taxes paid by financial institutions from escrow accounts.

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

Department of Revenue  
State Tax Commission

NOT RESPONDING

**Office of the Jackson County Collector 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 12, 2005