

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0789-01
Bill No.: HJR 13
Subject: Constitutional Amendment; Housing; State Tax Commission; Taxation and Revenue.
Type: Original
Date: March 8, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$0	(\$38,670)	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	(\$38,670)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Blind Pension	\$0	\$0	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	(Unknown)

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
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue**, the **Office of Administration**, **Division of Accounting** and **Division of Design and Construction** assume this proposal would have no impact on their organizations.

Officials from the **State Tax Commission** assume this proposal would make the commercial real property surtax subject to a roll back to provide a "revenue neutral" amount of taxes from that levy. When the value of commercial real estate increases significantly, the amount of tax would be computed and adjusted in accordance with Hancock amendment limits.

Oversight assumes this proposal would limit the growth in the commercial real estate surtax after its effective date in 2007 (FY 2008). Oversight has shown an unknown reduction in tax revenue for local governments and the Blind Pension Fund beginning in FY 2008.

ASSUMPTIONS (continued)

Officials from the **Office of the Secretary of State** (SOS) assume this proposal would require statewide newspaper publication at a cost of approximately \$1,289 per column inch based on estimate provided by the Missouri Press Service x 3 for multiple printings as required by the Constitution and state statute = \$3,867 per column inch. SOS estimates the total number of inches for this amendment to be 10 inches, including title header and certification paragraph. (\$3,867 x 10 inches = \$38,670) These costs are based on 2004 figures and are subject to change.

Oversight assumes this proposition would be placed on the general election ballot in November 2006 (FY 2007) and not in a special election.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Cost - Secretary of State</u>			
Advertising	<u>\$0</u>	<u>(\$38,670)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$38,670)</u>	<u>\$0</u>
BLIND PENSION FUND			
<u>Revenue reduction - property taxes</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON BLIND PENSION FUND	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>

FISCAL IMPACT - Local Government

FY 2006
(10 Mo.)

FY 2007

FY 2008

POLITICAL SUBDIVISIONS

Revenue reduction - property taxes

\$0

\$0

(Unknown)

**ESTIMATED NET EFFECT ON
POLITICAL SUBDIVISIONS**

\$0

\$0

(Unknown)

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact on small businesses if the M & M replacement tax levy is reduced should this proposal become effective.

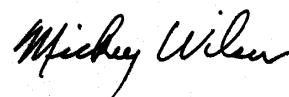
DESCRIPTION

This proposal would submit to the voters a constitutional amendment requiring adjustment to the M&M replacement tax levy.

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 Administration
 Division of Accounting
 Division of Design and Construction
Department of Revenue
State Tax Commission



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Director

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