

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3030-01  
Bill No.: HB 2071  
Subject: Property, Real and Personal; Saint Louis County; Taxation and Revenue -  
Property  
Type: Original  
Date: April 28, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Blind Pension *	\$0	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds *</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* Expected to be less than \$100,000.

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 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government *</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\* Expected to exceed \$100,000.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Revenue** and the **State Tax Commission** assume this proposal would have no fiscal impact on their organizations.

Officials from **St. Louis County** noted that new construction is not exempt from this cap, and a new residence that was a vacant lot last year; and has a new home occupied January 1st of this year and appeals would remain at the vacant lot value. All other new construction such as room additions, remodeling, etc would not get raised if they appealed. During a reassessment the value could be raised substantially but if they appeal the value would not change. These two situations could lead to millions of dollars in losses to the taxing districts.

**Oversight** assumes this proposal would lead to unknown losses, expected to exceed \$100,000 per year, to taxing authorities in St. Louis County. The proposal could result in local losses beginning in 2007 (FY2008). Oversight notes that losses to the state Blind Pension Fund would be approximately ½ of 1% of local tax losses, and has included an unknown cost expected to be less than \$100,000 in this fiscal note.

ASSUMPTION (continued)

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**BLIND PENSION FUND**

<u>Loss</u> - tax revenues *	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON BLIND PENSION FUND *</b>	<b><u>\$0</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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\* Expected to be less than \$100,000.

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**LOCAL GOVERNMENTS IN  
ST. LOUIS COUNTY**

<u>Loss</u> - tax revenues *	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS IN ST. LOUIS COUNTY *</b>	<b><u>\$0</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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\* Expected to exceed \$100,000.

FISCAL IMPACT - Small Business

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

DESCRIPTION

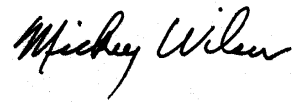
This proposal would freeze property assessments while tax payments are being protested in St. Louis County.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Revenue  
State Tax Commission  
St. Louis County

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

Mickey Wilson, CPA  
Director  
April 28, 2006