

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3155-01
Bill No.: HJR 28
Subject: Property, Real and Personal; State Tax Commission; Taxation and Revenue -
Property; Veterans
Type: Original
Date: January 18, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$52,560)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$52,560)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Cole County Assessor's Office** assume this proposal would have no impact on their office or on political subdivisions in Cole County since property owned by veterans' organizations is not currently being assessed or taxed.

Officials from the **Boone County Collector's Office** assume this proposal would have no impact on their office or on political subdivisions in Boone County since property owned by veterans' organizations is not currently being assessed or taxed.

Officials from the office of the **Secretary of State (SOS)** stated that statewide newspaper publication of constitutional amendments cost approximately \$1,752 per column inch per publication date based on an estimate provided by the Missouri Press Service. The SOS estimated this proposal would require 10 column inches including title header and certification paragraph, for three required publications. $(\$1,752 \times 3 = \$5,256) \times 10 = \$52,560$.

Officials from the **Department of Public Safety, Missouri Veterans Commission**, and the **Department of Revenue** assume this proposal would have no impact on their organizations.

ASSUMPTION (continued)

Officials from the **State Tax Commission** (TAX) assume this proposal may result in an unknown loss of revenue to political subdivisions including schools. TAX is unable to estimate the impact of this proposal because there is no information available on the number of veteran organizations or the amount of taxable property they may own.

Officials from the **Department of Elementary and Secondary Education** (DESE) cannot estimate the impact resulting from the exemption of veterans' organizations' property, real and personal taxes from taxation. DESE defers to the state tax commission. However, a reduction in tax revenue represents a reduction in general revenue available to distribute to local school districts.

Oversight assumes the proposal would be submitted to the voters in November 2006. Oversight also assumes that if the voters approved the constitutional amendment, there could be an unknown reduction in political subdivision tax revenues, and an impact to the state Blind Pension Fund of approximately one-half of one percent of the impact to political subdivisions. Any impact to tax revenues would begin in FY 2008 since 2006 taxes collected in FY 2007 would already be determined before the November 2006 election.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
GENERAL REVENUE FUND			
<u>Cost - Secretary of State</u>			
Publication cost	<u>(\$52,560)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$52,560)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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.

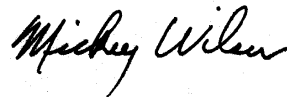
DESCRIPTION

This proposal would submit to the voters an amendment to the state constitution to exempt property owned by veterans' organizations from property taxation. The amendment would be submitted to the voters in the November 2006 general election, or at a special election to be called by the governor.

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 Elementary and Secondary Education
Department of Revenue
Department of Public Safety
Missouri Veterans Commission
State Tax Commission
Office of the Boone County Collector
Office of the Cole County Assessor



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Director
January 18, 2006