

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0673-01  
Bill No.: HB 385  
Subject: County Collectors: Personal Property Tax, Collection  
Type: Original  
Date: April 3, 2007

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Bill Summary: Requires counties to collect quarterly payments of personal property taxes.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2008    | FY 2009    | FY 2010    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                      |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2008    | FY 2009    | FY 2010    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>Other</u><br/>State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                          |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2008    | FY 2009    | FY 2010    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |          |          |          |
|---|----------|----------|----------|
| FUND AFFECTED   | FY 2008  | FY 2009  | FY 2010  |
|   |          |          |          |
|   |          |          |          |
| <b>Total Estimated<br/>Net Effect on<br/>FTE</b>          | <b>0</b> | <b>0</b> | <b>0</b> |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |            |            |            |
|--|------------|------------|------------|
| FUND AFFECTED                              | FY 2008    | FY 2009    | FY 2010    |
| <b>Local Government</b>                    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Revenue - Taxation** assume no fiscal impact.

Officials of the **Missouri State Tax Commission** assume no fiscal impact.

The **Boone County Collector** currently accepts monthly installment payments on real estate taxes. This proposed legislation would require us to expand that program to include personal property tax bills. Costs to add this to our existing process are as follows:

Programming 60 hours @ \$30/hr = \$1800

Staff time to set up, maintain and collect annually 200 hours \$16.50/hr = \$3300

There will be additional printing and postage costs but that amount is unknown

#### Additional Comments:

In 2006 we had 617 parcel owners using the installment plan. We billed 58,162 parcels 21,788 parcels were paid by financial institutions with escrowed funds. Therefore only 1.68% of those parcel owners eligible to pay by the installment plan chose to do so.

In 2006 we billed 55,382 personal property owners. Assuming 2% will choose to pay taxes through an installment plan 1,108 accounts would be created.

Regardless of the number using the plan, the programming costs would remain the same. The staff time to annually create and maintain is based on our experience with the real estate installment program. If more than 2% use the option, administrative costs would increase.

Vehicles if not bought, sold or traded throughout the year depreciate in value. Therefore, are not as "stable" as real estate. 100 % of the personal property bills on the installment plan will need to be adjusted up or down compared to the prior year's bill.

**Oversight** assumes Boone County's fiscal impact would be \$5,100 to Unknown (for postage and printing costs).

ASSUMPTION (continued)

**In response to identical legislation of last session, fiscal note 3875-01 HB 1295, the following fiscal impact statements were issued:**

Officials of **St. Louis County** stated they currently collect personal taxes on a quarterly basis pursuant to County Ordinance # 502.600. Officials assume no fiscal impact.

Officials of the **Hickory County Collector's** office assume they would need additional staff and computer programming. Officials estimated costs of \$37,971.

Officials of **the Clay County Collector's** office assume they would have costs for software, postage, printing, staffing, and estimate first year costs at \$325,000.

**Oversight** assumes that county governing bodies currently have the authorization at their discretion to initiate a system of collection of personal and real property taxes on either an annual, semiannual, or quarterly basis. **Oversight** assumes this proposal mandates counties to initiate a system of collection of personal property taxes on a quarterly basis.

**Oversight** assumes, based on the information provided by County Collectors that responded, that some counties would have no fiscal impact because they currently collect personal taxes either on a monthly basis, or a quarterly basis. The counties which provide these collection services are your larger counties. **Oversight** assumes, based on information supplied, that smaller counties would realize additional costs to initiate the provisions of this proposal. Of the Collectors that responded from smaller counties, all stated they would have costs of equipment, programming, software, printing, postage, and in some cases additional staff.

**Oversight** will show fiscal impact on a statewide basis as \$0 or (Unknown).

| <u>FISCAL IMPACT - State Government</u> | FY 2008<br>(10 Mo.) | FY 2009    | FY 2010    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Local Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

**COUNTIES GENERAL REVENUE  
FUND**

**Costs** - County Collector of Revenue  
For programming, software, postage,  
printing, and staffing for collecting  
personal taxes quarterly. \*

**\$0 or**  
**(Unknown)**

**\$0 or**  
**(Unknown)**

**\$0 or**  
**(Unknown)**

**\* Costs to counties, on a statewide basis, would be 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.

FISCAL DESCRIPTION

This bill requires counties to allow for the quarterly payment of personal property taxes.

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

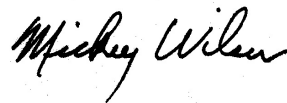
SOURCES OF INFORMATION

Missouri State Tax Commission  
Department of Revenue  
Boone County Collector  
St. Louis County Collector  
Hickory County Collector  
Clay County Collector

NOT RESPONDING

County Collector of the County of :

Callaway  
Cape Girardeau  
Cass  
Greene  
Jackson  
Jefferson  
Platte  
St. Charles  
Montgomery

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

Mickey Wilson, CPA  
Director  
April 3, 2007