

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3708-01
Bill No.: HB 1474
Subject: Manufactured Housing; Revenue Dept.
Type: Original
Date: February 12, 2008

Bill Summary: Would allow for the conversion of manufactured homes from personal property to real property and the reconversion of manufactured homes from real property to personal property.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** provided the following response.

Many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **State Tax Commission** assume this proposal would have no fiscal impact to their organization.

Officials from the **Department of Elementary and Secondary Education** defer to the Department of Revenue for an estimate of the fiscal impact of this proposal.

Officials from the **Department of Revenue (DOR)** assume that this proposal would establish procedures for converting a manufactured home from personal property to real property and back again, and would require the director to issue a certificate of conversion for manufactured homes converted to real property, and would require the director to publish these in a file (presumably a website) available to lienholders.

DOR would need to:

- * Develop procedures and process an unknown number of applications for certificates of conversion on manufactured homes converted to real property; including entering the applications into a system, completing record searches, and deleting the title record.
- * If the manufactured home is converted back, a new title would be issued. Depending on the volume, DOR may require funding for overtime.

ASSUMPTION (continued)

- * Develop an electronic system to issue the certificate of conversion (similar to a title) as well as a secure website accessible by password for lienholders that lists the pertinent information contained on the certificate of conversion, including owners, lienholders, unit description, etc.
- * Develop and maintain a website available to lienholders of conversion certificates that were issued.
- * Create a new reject code if an additional Notice of Lien is found.

DOR officials provided an estimate of the IT cost to implement the proposal.

The Office of Administration, Information Technology Services Division (ITSD/DOR) assumes this legislation could be implemented utilizing existing resources. However, if priorities shift additional FTE or overtime would be needed to implement. ITSD/DOR estimates the proposal could be implemented using two existing CIT III's for month for a total cost of approximately \$8,372.

DOR did not provide an estimate of the cost to implement this proposal. In response to a similar proposal in the previous session (HB 855, LR 0145-01, 2007), DOR officials stated that their organization would intend to absorb any cost from this proposal with existing resources.

Oversight will use the DOR reponse from the previous session.

Oversight did not receive any responses from local governments for this proposal. In response to a similar proposal in the previous session (HB 855, LR 0145-01, 2007), the **City of Centralia, Parkway School District, the Office of the Boone County Collector, the Office of the Cole County Assessor, the Office of the Grundy County Assessor, and the Office of the St. Louis County Assessor** assumed the proposal would have no fiscal impact to their organizations.

Officials from the **Office of Administration, Division of Budget and Planning** did not respond to our request for information.

Oversight assumes this proposal would have no significant fiscal impact to the state or local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

FISCAL DESCRIPTION

This proposal would allow for the conversion of manufactured homes from personal property to real property and the reconversion of manufactured homes from real property to personal property.

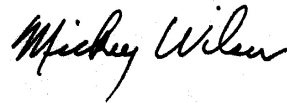
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Elementary and Secondary Education
Department of Revenue
State Tax Commission

NOT RESPONDING

Office of Administration
Division of Budget and Planning

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

Mickey Wilson, CPA
Director
February 12, 2008