

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3751-01
Bill No.: HB 1465
Subject: Counties: Property Tax Collection
Type: Original
Date: January 30, 2008

Bill Summary: Allows taxpayers to pay real property taxes in quarterly installments.

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 5 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

The **Cole County Collector of Revenue** stated that their programmer estimates a minimum cost of \$8,000 to reconfigure their system. Officials stated there are many unknowns such as do they mail out quarterly statements, etc. but assume there would be costs associated with staff time, postage, printing, etc.

Oversight sent response request to many County Collectors/Clerks and only one responded.

Oversight assumes this proposal is not permissive and requires counties to establish a system of quarterly collections. Many counties, especially smaller counties would have costs associated with programming changes, staff time, postage, printing, and additional accounting duties.

Oversight not being able to estimate costs to counties on a statewide basis will show costs to counties as unknown, and expect costs to exceed \$100,000.

Oversight assumes subsection 6 of Section 139.052 would allow County Commissions to assess a surcharge as a cost for accepting quarterly payments. **The surcharge could not exceed two percent of the taxpayer's real property tax liability in the previous year.** **Oversight** is not able to estimate the number of counties that would assess the surcharge, nor the amount the surcharge would generate, on a statewide basis. Therefore, **Oversight** will show income to counties as a positive unknown, and would expect the income to exceed \$100,000 annually.

Oversight will show fiscal impact as zero, based on the assumption that the income generated would offset the costs generated.

Oversight assumes there would be no state costs.

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

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

**COUNTIES GENERAL REVENUE
FUND**

Income - To Counties General Revenue
Fund

From surcharge collected on quarterly tax
payments.*

Unknown

Unknown

Unknown

Cost - To Counties General Revenue
Fund

From establishing a system of quarterly
property tax payments. *

(\$Unknown)

(\$Unknown)

(\$Unknown)

**ESTIMATED NET EFFECT TO
LOCAL GOVERNMENT ***

\$0

\$0

\$0

***Oversight** assumes county governing bodies would assess a surcharge, (that could not exceed 2% of the taxpayer's previous years tax liability), in an amount that would be sufficient to cover the added costs associated with collecting property taxes on a quarterly basis. Costs and income are indeterminable, and will be shown as unknown, and for the purposes of this fiscal note, the estimated net effect will be shown as zero.

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill allows taxpayers to pay real property taxes in quarterly installments by estimating the amount due based on their previous tax year's real property tax liability. At the end of the year, the taxpayer will either pay any amount owed in excess of the estimated quarterly payments or the county will refund any amount paid in excess. The county may assess a surcharge of up to 2% of the taxpayer's real property tax liability in the previous year as the cost for accepting quarterly payments.

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

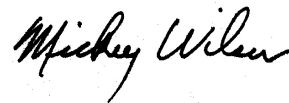
RWB:LR:OD (12/02)

SOURCES OF INFORMATION

Cole County Collector

NOT RESPONDING

Boone County Collector
Callaway County Collector
Greene County Collector
Jackson County Finance Department
Cape Girardeau County Clerk
Cass County Clerk
Jefferson County Clerk
Nodaway County Clerk
Marion County Clerk
Platte County Clerk
Pulaski County Clerk
Sullivan County Clerk
Taney County Clerk
Texas County Clerk
Webster County Clerk



Mickey Wilson, CPA
Director
January 30, 2008