

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3042-03  
Bill No.: SCS for HB 1392  
Subject: Counties; County Officials; State Tax Commission; Taxation and Revenue -  
Property  
Type: Original  
Date: April 19, 2010

---

Bill Summary: Would modify certain provisions regarding property taxes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</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 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on 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>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

---

## FISCAL ANALYSIS

### ASSUMPTION

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

#### Property Tax Rate Setting

Officials from the **Parkway School District** stated that this proposal would have saved their organization \$3.5 million in the 2009-2010 fiscal year, and assume that cost savings would be similar in future years.

Officials from the **State Tax Commission**, the **Metropolitan Community Colleges, Cass County**, the **City of Centralia**, the **City of Kansas City**, and the **Office of the St. Louis County Collector of Revenue** assumed a previous version of this proposal would have no fiscal impact on their organizations.

Officials from the **Special School District of St. Louis County** (SSD) stated that a previous version of the proposal would not be expected to have a material fiscal impact on their organization. SSD officials also stated that the proposal would fix a problem that caused the district to incur a 3% drop in property taxes in the current fiscal year.

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

**Oversight** notes that this proposal would change the date by which taxing authorities must determine the ad valorem tax rate for the next year. Accordingly, Oversight assumes this proposal would have no fiscal impact on the state nor on its political subdivisions.

#### Fire District Tax Rate Setting

**Oversight** did not receive any responses to these provisions and assumes these provisions would modify the property tax rate setting deadline for certain political subdivisions. Accordingly, Oversight assumes this proposal would have no fiscal impact on the state nor on its political subdivisions.

ASSUMPTION (continued)

State Tax Commission Hearing Officers

These provisions would allow each party to an appeal before the State Tax Commission one change of hearing officer.

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assumed that similar provisions in HB 1486, LR 3991-01 would not result in additional costs or savings to their organization.

Officials from the **State Tax Commission** (TAX) assumed that similar provisions in HB 1486, LR 3991-01 would require TAX to assign a new hearing officer to an appeal if the party files a timely application to disqualify the hearing officer originally assigned to the appeal. Currently TAX has only three hearing officers to handle the thousands of appeals filed each year. The TAX response included one FTE Hearing Officer; and estimated total costs for salary, benefits, expense, and equipment were \$70,412 for FY 2011, \$85,233 for FY 2012, and \$87,789 for FY 2013.

**Oversight** assumes there would be a limited number of hearings where one of the parties would request the disqualification of a hearing officer and that TAX could implement this provision with existing resources. If unanticipated costs are incurred or if multiple proposals are incurred which increase then TAX could request resources through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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.

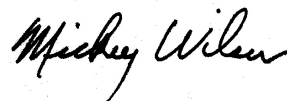
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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 Administration  
    Division of Budget and Planning  
Department of Revenue  
State Tax Commission  
Metropolitan Community Colleges  
Cass County  
St. Louis County Collector of Revenue  
City of Centralia  
City of Kansas City  
Parkway School District  
Special School District of St. Louis County



Mickey Wilson, CPA  
Director  
April 19, 2010