

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4544-01  
Bill No.: HB 1953  
Subject: Taxation and Revenue - Property, Counties  
Type: Original  
Date: February 23, 2010

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Bill Summary: Would allow taxpayers to prepay property taxes monthly based on the previous year's tax bill.

**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.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>(More than \$100,000)</b>	<b>(More than \$100,000)</b>	<b>(More than \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue**, the **State Tax Commission**, the **Office of the Boone County Collector**, and **St. Louis County** assume this proposal would have no fiscal impact on their organizations.

**Oversight** assumes there would be no fiscal impact to the state as a result of this proposal.

Officials from the **Office of the Cole County Collector** (Collector) stated that Cole County currently has a quarterly prepayment plan for real estate only. Out of 28,000 real estate tax bills sent out, only 150 properties are signed up for the program. Collector's office officials stated that the software development cost for the program was around \$15,000 and the annual system maintenance cost was around \$3,000 to \$5,000 per year. To add personal property tax bills to the program would cost an estimated \$10,000 plus annual maintenance. The collector's office staff was not able to estimate the cost to change the program from quarterly to monthly payments but assumed it would not be significant.

Officials from **Cass County** assume the county would allow taxpayers to start an early payment plan, with any increase in taxes payable at December 31. County officials assume the collector would receive funds and deposit them using current procedures, and there would be little impact to the county budget. The county assumes some administrative costs could be incurred. County officials suggested a fiscal impact of minimal to unknown for their organization.

**Oversight** did not receive any other responses to our request for information. Oversight notes that counties that currently have no prepayment plan would incur significant software and procedure development cost, and counties that currently have a prepayment plan in place would have only the lesser costs of converting to a monthly payment basis. Oversight will indicate a cost in excess of \$100,000 per year for local governments for fiscal note purposes.

<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
<b>LOCAL GOVERNMENTS</b>			
<u>Cost</u> - monthly prepayment program development and administration.	<u>(More than</u> <u>\$100,000)</u>	<u>(More than</u> <u>\$100,000)</u>	<u>(More than</u> <u>\$100,000)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>(More than</u> <u>\$100,000)</u></b>	<b><u>(More than</u> <u>\$100,000)</u></b>	<b><u>(More than</u> <u>\$100,000)</u></b>

FISCAL IMPACT - Small Business

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

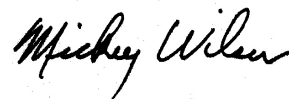
FISCAL DESCRIPTION

The proposed legislation would require counties to offer a quarterly prepayment plan for current real and 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

Department of Revenue  
State Tax Commission  
Cass County  
St. Louis County  
Office of the Boone County Collector  
Office of the Cole County Collector



Mickey Wilson, CPA  
Director

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