

HCS SB 668 -- TAXATION AND PROPERTY

SPONSOR: Lembke (Diehl)

COMMITTEE ACTION: Voted "do pass" by the Committee on General Laws by a vote of 11 to 0.

This substitute changes the laws regarding personal property tax statements, county sports complex authority commissioners, retail sales tax in North Kansas City, Jackson County tax increment financing funds, billboards and transmission towers, tax deduction for storm shelters, residential construction regulatory systems, and real estate appraiser licenses.

PERSONAL PROPERTY TAX STATEMENTS IN ST. LOUIS COUNTY

The substitute requires the collector in St. Louis County to mail each resident taxpayer a statement of the property taxes he or she owes by October 26.

COUNTY SPORTS COMPLEX AUTHORITY COMMISSIONERS

Currently, the Governor appoints five commissioners to serve on a county sports complex authority. The commissioner must be a qualified voter of the state and a resident of the county in which the authority is located. The substitute adds one more commissioner who must be the county executive and will serve as an ex-officio, non-voting member.

RETAIL SALES TAX IN NORTH KANSAS CITY

North Kansas City is authorized to impose, upon voter approval, a retail sales tax of up to one-half of 1% for the purpose of improving the public safety for the city including, but not limited to, expenditures on equipment, city employee salaries and benefits, and facilities for police, fire, and emergency medical providers.

JACKSON COUNTY TAX INCREMENT FINANCING FUNDS

Taxes levied by the Jackson County Transit Authority are added to the list of taxes that cannot be deposited into a special allocation fund for the purpose of tax increment financing.

BILLBOARDS AND TRANSMISSION TOWERS

The substitute revises the definition of "real property" as it applies to property taxation to include improvements and fixtures of whatever kind, including those which are not owned by the owner of the land upon which they are located, and allows them to

be sold at a delinquent tax sale by providing the parcel or locator number of the real property improvement or fixture, the legal description of the land upon which it is located, and a clear statement that only the real property improvement or fixture is being sold or conveyed and not the underlying land.

TAX DEDUCTION FOR STORM SHELTERS

Beginning January 1, 2013, the substitute authorizes a one-time income tax deduction to a taxpayer for the cost of the construction, or \$2,500, whichever is less, of a storm shelter. The total amount of deductions cannot exceed \$2 million in any fiscal year. The Department of Revenue must establish the procedure for claiming the deduction.

RESIDENTIAL CONSTRUCTION REGULATORY SYSTEMS

If any city, town, village, or county adopts, implements, and enforces a residential construction regulatory system applicable to residential construction within its jurisdiction, any fire protection district wholly or partially located therein is prohibited from enforcing or implementing a residential construction regulatory system. Any regulatory system adopted by a fire protection district or its board will be treated as advisory only and cannot be enforced. Fire protection districts may inspect residential dwellings, but cannot charge a fee for the service.

REAL ESTATE APPRAISER LICENSES

A person employed by the property owner or an agent of the property owner to represent the owner in any proceeding appealing an assessment of the owner's property is not required to have a real estate appraiser license or certificate.

The provisions of the substitute regarding the tax deduction for the costs of a storm shelter expire on December 31 six years after the effective date.

FISCAL NOTE: Estimated Net Effect on General Revenue Fund of an income of \$0 in FY 2013, an income of \$0 to a cost of \$120,000 in FY 2014, and an income of \$0 to a cost of \$120,000 in FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill is an effort to have greater transparency for St. Louis County taxpayers, so they have an idea of what their taxes will be.

Testifying for the bill was Senator Lembke.

OPPONENTS: Those who oppose the bill say that a change needs to be made to the dates by which the districts must send their tax information to St. Louis County. This change would allow the county to meet the deadline. The dates were pushed back in 2008 through legislation and they need to be moved forward again.

Testifying against the bill was Tom Curran, Executive Director of Intergovernmental Affairs, St. Louis County.

OTHERS: Others testifying on the bill say that the earlier taxpayers receive their statement of taxes, the better it is. Most counties attempt to have them sent out by the beginning of November. All of the dates involved in the process need to be moved forward to allow for the more timely and efficient notice to taxpayers.

Testifying on the bill were Missouri County Collectors Association; and Matt Connelly, City of St. Ann.