

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0497-02  
Bill No.: HCS for HB 63  
Subject: Taxation and Revenue - Property  
Type: Original  
Date: March 14, 2013

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Bill Summary: This proposal permits the electronic transmission of property tax statements to taxpayers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<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>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<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 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<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 2014	FY 2015	FY 2016
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§ 52.230 and 52.240 - Property Tax Bills:

Officials from the **Department of Revenue** and the **State Tax Commission** each assume the proposal would not fiscally impact their respective agencies.

In response to the previous version of this proposal, officials from **St. Louis County (SLC)** assumed that sending the actual bill via e-mail is a security risk. An alternative is to send an e-mail informing the property owner that the bill is ready and they can retrieve it electronically through the website. The costs for the high and low security options do not differ significantly from each other since the underlying processes and modifications required remain the same and will have to be performed regardless of the option.

SLC assumed the following implementation costs:

- External vendor modification of existing systems, roughly 20 hours @ \$175 per hour at an estimated cost of \$3,500.
- Internal programming and project management time to plan the process, modify the website, create procedures, etc., roughly 200 hours @ \$112 per hour for internal analysts, project management, and programmers. This results in an estimated cost of \$22,400.
- Mitigation of information systems security issues, roughly 20 hrs @ \$112 per hour for programmers and security analysts at an estimated cost of \$2,240.

Annual maintenance costs:

- Internal maintenance of automated processes and systems, roughly 30 hrs @ \$112 per hour for programmers will result in annual maintenance costs of \$3,360.

SLC assumed the total implementation cost of this proposal is \$28,140. The cost to maintain this capability is \$3,360 per year.

Officials from **Boone County** assume any programming and annual maintenance up front costs to capture the requests electronically and reply or provide access to property tax bills through our website would be offset by savings in paper, printing, and postage costs.

ASSUMPTION (continued)

**Oversight** assumes this proposal could result in some implementation and maintenance costs related to sending property tax statements and receiving property tax payments if the county does not currently have the capability to send statements electronically. However, county collectors who choose to submit property tax assessments electronically will see a savings in paper, printing, and postage costs since fewer property tax statements will be mailed.

**Oversight** will, since the proposal is permissive, assign no direct fiscal impact to county collectors.

Officials from numerous counties did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<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 direct 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

State Tax Commission  
Department of Revenue  
Boone County  
St. Louis County

**Not Responding:**

Numerous Counties

A handwritten signature in black ink, appearing to read "Ross Strobe".

Ross Strobe  
Acting Director  
March 14, 2013