

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4613-01
Bill No.: HB 1178
Subject: Counties; Taxation and Revenue - Property
Type: Original
Date: January 15, 2014

Bill Summary: This proposal requires Henry and St. Clair counties to distribute a portion of payment received by the county for entitlement lands to certain cities located within a county.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Tax Commission** assume the current proposal would not fiscally impact their agency.

Due to time constraints officials from the **County of Henry, County of St. Clair, City of Deepwater** and **City of Osceola** did not respond to Oversight's request for fiscal impact.

Oversight assumes that the above mentioned counties may have to make an annual payment to the above mentioned cities. These payments will have an overall zero impact to local political subdivisions.

According to **Missouri Department of Conservation**, the way they handle "payments in lieu of taxes" for state property is to disburse directly to the county. The county would then be responsible for coordinating with any municipalities involved. **Oversight** assumes Henry and St. Clair counties would handle these federal payments similarly.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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LOCAL POLITICAL SUBDIVISIONS

Revenue - Cities

Annual payment from counties for entitlement lands	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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Expense - Counties

Annual payment to cities for entitlement lands	<u>(\$0 or Unknown)</u>	<u>(\$0 or Unknown)</u>	<u>(\$0 or Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Some counties receive an annual payment under the federal "payments in lieu of taxes" program to offset losses in property taxes due to non-taxable federal lands within their boundaries. This proposal requires certain counties to distribute a portion of the payment to certain cities if the federal land originally was within city boundaries. The distribution will be determined by multiplying the number of acres taken from the city by the tax rate that would be imposed on the average assessed valuation of an acre of commercial property within the city. Currently, this requirement only would affect the City of Deepwater in Henry County and the City of Osceola in St. Clair County.

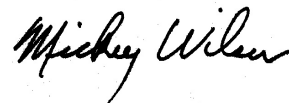
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

State Tax Commission
Missouri Department of Conservation

Not Responding

County of Henry
County of St. Clair
City of Deepwater
City of Osceola



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Director
January 15, 2014

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