

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6225-01  
Bill No.: HB 2035  
Subject: Taxation and Revenue - Property; Property, Real and Personal  
Type: Original  
Date: March 24, 2014

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Bill Summary: This proposal changes the laws regarding property exempt from taxation.

**FISCAL SUMMARY**

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Revenue, State Tax Commission**, and the **Office of the State Auditor** each assume the current proposal will not fiscally impact their respective agencies.

Officials from the **City of Kansas City** state that they are unable to estimate potential revenue loss from the property tax exemption in the proposal.

Officials from the **St. Louis County Assessor's Office**, the **City of St. Louis Assessor's Office** and the **Jackson County Assessor's Office** did not respond to Oversight's request for fiscal impact.

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

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

<b><u>Loss</u> - Reduction in property tax collections</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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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

This proposal specifies that the charitable property exemption from property taxation includes homes for the aged operated by an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and is consistent with Internal Revenue Service revenue ruling 72-124, if applicable, for as long as the ruling is in effect.

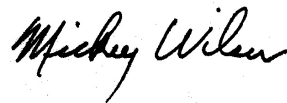
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Revenue  
State Tax Commission  
Office of the State Auditor  
City of Kansas City

### **Not Responding:**

St. Louis County Assessor  
City of St. Louis Assessor  
Jackson County Assessor



Mickey Wilson, CPA  
Director  
March 24, 2014

Ross Strobe  
Assistant Director  
March 24, 2014