

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4139-02
Bill No.: HCS for HB 1251
Subject: Liens; Property, Real and Personal; Taxation and Revenue - Property
Type: Original
Date: January 30, 2018

Bill Summary: This proposal changes the laws regarding foreclosure proceeds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version, officials at **St. Louis County** assumed this bill expands the number of people potentially entitled to the surplus from a tax sale to include entities other than the owner. The Collector would have to request title reports whenever a lien holder makes a claim. The County estimates an additional cost of \$2,600 for title reports and \$18,000 for personnel. Total annual cost for each of 2019, 2020 and 2021 equals \$20,600.

Officials at the **Office of the State Courts Administrator**, the **Department of Revenue**, the **State Tax Commission**, the **Office of the State Public Defender** and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **Mississippi County Recorder of Deeds Office** assume no fiscal impact from this proposal.

In response to a previous version, officials at **Boone County** assumed no fiscal impact from this proposal.

In response to similar legislation from 2017, HCS for HB 649, officials at **Cole County** assumed this proposal imposes potential additional duties on the County Collector and the County Commission, which will not only involve extra work in those offices, but also adds legal action participation by the Commission or Collector. No means of compensation for these additional duties has been provided by the legislation, including costs of a legal action. The additional costs cannot be determined at this time, but are estimated to be less than \$100,000 per year.

In response to similar legislation from 2017, HCS for HB 649, officials at the **St. Charles County Collector of Revenue** assumed a cost in the tens of thousands of dollars for this proposal.

Oversight assumes the potential costs of additional duties from this legislation can be absorbed within current budget appropriations.

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Francois, Taney, Wayne, and Worth did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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

St. Louis County
Cole County
Boone County
Office of the State Courts Administrator
Department of Revenue
State Tax Commission
Office of the State Public Defender
Office of Prosecution Services
St. Charles County Collector of Revenue
Mississippi County Recorder of Deeds Office

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized, flowing script.

Acting Director
January 30, 2018