

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1491H.01I  
Bill No.: HB 718  
Subject: Taxation and Revenue - General; Taxation and Revenue - Property; Property, Real and Personal; Boards, Commissions, Committees, and Councils; County Officials; County Government  
Type: Original  
Date: March 7, 2021

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Bill Summary: This proposal requires the County Board of Equalization to provide confirmation of receipt of a taxpayer's appeal.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **State Tax Commission** assume the notification requirements of the boards of equalization may create additional unknown administrative costs on local assessment officials.

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Officials from the **St. Louis County Assessor's Office** state there will be additional costs for postage, envelopes, paper and staffing as required to track and send verification of receipt of appeal applications. Note that more appeals are received in reassessment years. Appeals are received from the first week of May through the second Monday of July each calendar year. They calculated 5,000 appeals for both 2022 and 2024 and 27,000 appeals for 2023. Staff time is calculated at \$20/hour for 100 hours in 2022 and 2024 and 350 hours in 2023. Envelopes cost \$14.87 per 1,000. A case of paper with 10 reams of 500 sheets per ream costs \$30.30 per case. Postage is \$0.55 per stamp.

FY 2022: \$4,854

FY 2023: \$23,516

FY 2024: \$4,854

If this proposal were to pass this would increase costs and put more strain on the St Louis County Board of Equalization (BOE). The BOE already communicates with every individual that files an appeal by sending the notice of the appeal hearing date once scheduled. Taxpayers also can reach the BOE office by email, phone or in-person to inquire on the status of their appeal at any time.

Officials from the **City of St. Louis** assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HB 2451 (2020), officials from the **St. Genevieve County Assessor's Office** stated this responsibility is handled by the County Clerk, Secretary to the County Board of Equalization. They have confirmed with their office that notification is already being sent to a taxpayer filing an appeal with the BOE.

**Oversight** assumes this proposal could result in additional costs for some county assessors or county clerks; therefore, Oversight will show an unknown cost to local political subdivisions.

If passed Oversight notes this proposal would be effective August of 2021. Appeals are received May through July; therefore, Oversight will show costs beginning in FY 2022 (May 2022).

**Oversight** received a limited number of responses from county assessors and county clerks related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other county assessors and county clerks were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs</u> - postage, materials and staff time to send confirmation notice of appeal	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

#### FISCAL IMPACT – Small Business

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

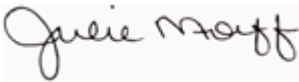
#### FISCAL DESCRIPTION

This bill requires a County Board of Equalization to promptly issue a notification to a person lodging an appeal of a property assessment confirming that the appeal has been received.

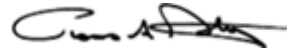
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

State Tax Commission  
Department of Revenue  
St. Louis County Assessor's Office  
City of St. Louis  
St. Genevieve County Assessor's Office



Julie Morff  
Director  
March 7, 2021



Ross Strobe  
Assistant Director  
March 7, 2021