

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5038-01
Bill No.: HB 1930
Subject: St. Louis City Collector: Delinquent Taxes, Penalties
Type: Original
Date: April 6, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Blind Pension Trust	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$1,000,000 to \$1,500,000	\$1,000,000 to \$1,500,000	\$1,000,000 to \$1,500,000

FISCAL ANALYSIS

ASSUMPTION

Officials of the office of the **Director of Administration of St. Louis County** assume there would be no fiscal impact to the county.

Officials of the **Boone County Collectors** office assume no fiscal impact.

Officials of **Jasper County** assume there would be an increase in revenue to counties.

Officials of the **City of St. Louis Office of City Collector** assume the proposed legislation would increase the interest penalty on delinquent real estate taxes. Actual interest revenue from delinquent real estate taxes has declined in recent years following the reduction in interest penalties since 2000. Under the proposed legislation, the increase would provide a greater incentive for timely payments with an estimated impact of \$1,000,000 - \$1,500,000 per year based on the pre 2000 interest penalty revenues. Officials stated that the revenues would be prorated among the taxing jurisdictions.

Oversight assumes the provisions of this proposal would only affect the City of St. Louis and its taxing jurisdictions.

ASSUMPTION (continued)

Oversight assumes that the Missouri Blind Pension Trust Fund would receive its prorated share of delinquent collections. Oversight cannot estimate the amount of fiscal impact, however, fiscal impact would be expected to be less than \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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MISSOURI BLIND PENSION TRUST FUND

<u>Income</u> to Blind Pension Trust Fund From increase in interest rate on delinquent tax collections.	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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ESTIMATED NET EFFECT TO MO. BLIND PENSION TRUST FUND *	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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* Oversight assumes annual fiscal impact would be less than \$100,000.

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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LOCAL GOVERNMENT TAXING AUTHORITIES CITY OF ST. LOUIS

<u>Income</u> to Local Taxing Authorities From increase in interest rate allow on delinquent tax collections.	<u>\$1,000,000 to \$1,500,000</u>	<u>\$1,000,000 to \$1,500,000</u>	<u>\$1,000,000 to \$1,500,000</u>
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ESTIMATED NET EFFECT TO LOCAL GOVERNMENT TAXING AUTHORITIES CITY OF ST. LOUIS	<u>\$1,000,000 to \$1,500,000</u>	<u>\$1,000,000 to \$1,500,000</u>	<u>\$1,000,000 to \$1,500,000</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.

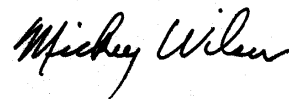
DESCRIPTION

This bill changes the minimum rate of interest that can be charged on delinquent real property taxes from 1% to 2% per month and the maximum rate from 10% to 18% per year. The prime rate limitation is also removed.

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 - Director of Administration
City of St. Louis - Collector of Revenue
Boone County Collector
Jasper County



Mickey Wilson, CPA
Director
April 6, 2006