

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1019-01  
Bill No.: HB 261  
Subject: Property, Real and Personal; State Tax Commission; Taxation and Revenue -  
Property  
Type: Original  
Date: February 16, 2009

---

Bill Summary: Would modify provisions relating to sales for the collection of delinquent taxes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<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 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State**, the **Department of Revenue**, the **State Tax Commission**, **Linn State Technical College**, and the **Metropolitan Community Colleges** assume this proposal would have no fiscal impact to their organizations.

Officials from the **Office of the Attorney General** assume the proposal could be implemented with existing resources.

Officials from **Cass County**, the **City of Centralia**, the **City of Joplin**, the **City of Kansas City**, and the **City of West Plains** assume this proposal would have no fiscal impact to their organizations.

Officials from **Buchanan County** provided an estimate of \$6,146 in additional cost to the county for mailing costs.

Officials from the **Office of the St. Louis County Collector of Revenue** provided an estimate of an additional cost for mailing 2,000 to 2,500 notices \$.346 each for mailing and \$5.32 for certified mail.  $(2,000 \times \$5.666) = \$11,332$ , and  $(2,500 \times \$5.666) = \$14,165$ .

Officials from **Clinton County** assume this proposal may not have a significant impact although it could result in cost savings; Clinton County officials stated that the proposal could result in increased collections of delinquent taxes.

Officials from **Office of the Taney County Collector** assume the additional cost to send certified mail prior to tax sales would amount to \$6,384 plus one additional employee at a cost of \$26,000 to \$27,000.

Officials from the **Office of the Boone County Collector of Revenue** assume the fiscal impact to that office would be nominal.

Officials from the **Office of the St. Louis City Collector of Revenue** assume that the additional cost of postage for their organization would be \$0,800 per year, and that lost revenue would be approximately \$150,000 per year.

ASSUMPTION (continued)

**Oversight** assumes this proposal would have no fiscal impact to the state. Oversight assumes that some local governments already conduct tax sales under provisions similar to those prescribed in this proposal, but that other local governments may have additional costs and/or revenue reductions as a result of the proposal. Accordingly Oversight will indicate an unknown cost to local governments for this proposal. Since this proposal would become effective in August 2009 after 2009 tax sales are completed, this proposal would first impact local governments in 2010 (FY 2011).

**Oversight** assumes that any change in the distribution of proceeds from tax sales would apply only to tax sale proceeds in excess of the taxes, penalties, and interest owed on the property. Accordingly, oversight will not indicate any revenue reduction to local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>LOCAL GOVERNMENTS</b>			
<u>Increased cost</u> - mailing notices	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<u>\$0</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.

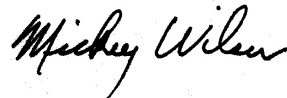
### FISCAL DESCRIPTION

This proposal would modify provisions relating to sales for the collection of delinquent taxes.

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

Office of the Secretary of State  
Office of the Attorney General  
Department of Revenue  
State Tax Commission  
Linn State Technical College  
Metropolitan Community Colleges  
Buchanan County  
Cass County  
Clinton County  
Taney County  
City of Centralia  
City of Joplin  
City of Kansas City  
City of West Plains  
Boone County Collector of Revenue  
St. Louis City Collector of Revenue  
St. Louis County Collector of Revenue



Mickey Wilson, CPA  
Director  
February 17, 2009