

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3561-01
Bill No.: HB 1409
Subject: Taxation and Revenue - General; Taxation and Revenue - Property; Property, Real and Personal; Saint Louis County; Jackson County; County Government
Type: Original
Date: February 4, 2020

Bill Summary: This proposal modifies provisions relating to property tax assessments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from **State Tax Commission** assume this proposal extends the physical inspection and notification requirements in current law for St Louis County, Section 137.115 (11,12) to Jackson County, when the assessed value of any parcel of residential property (subclass 1) increases by more than 15% from the previous assessment, excluding new construction. HB 1409 specifies that the Assessor of Jackson County has the burden of proof of valuation of true market value of the assessed property to the Board of Equalization and that the inspection was completed in accordance thereof. HB 1409 has no fiscal impact on the State Tax Commission, however in order to fulfill the requirements extended to Jackson County, the act will have a fiscal impact of increased costs and personnel on Jackson County. These additional costs are unknown as they would be made by the local assessment authorities.

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization.

Oversight assumes there could be increased costs and personnel needs for Jackson County to meet the requirements of this proposal; therefore, Oversight will show an unknown cost to Jackson County.

Oversight notes Jackson County was requested to respond to this proposed legislation but did not. 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.

<u>FISCAL IMPACT - State Government</u>	FY 2021	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021	FY 2022	FY 2023
JACKSON COUNTY			
<u>Cost</u> - increased costs and personnel §137.115	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON JACKSON COUNTY	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Small Business</u>			

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

FISCAL DESCRIPTION

This bill requires the Assessor of Jackson County to meet specified requirements when the assessed value of any parcel of residential property is increased by more than 15% from the previous assessment, excluding increases due to new construction or improvements.

The assessor is required to:

- (1) Notify the property owner in writing and provide clear written notice of the owner's rights relating to the physical inspection of their property. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner has no less than 30 days to notify the assessor of a request for an interior physical inspection; and
- (2) Perform a physical inspection with on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and must include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner (Section 137.115, RSMo).

Additionally, this bill specifies that the Assessor of Jackson County has the burden to prove that the assessor's valuation does not exceed the true market value of the assessed property to the Board of Equalization, and that the physical inspection was done in accordance with this bill. If the assessor does not meet this burden, the property owner will prevail on the appeal as a matter of law (Section 138.060).

FISCAL DESCRIPTION (continued)

Currently, these provisions only apply to St. Louis County.

This bill contains an emergency clause.

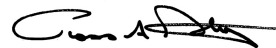
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

State Tax Commission
Department of Revenue



Julie Morff
Director
February 4, 2020



Ross Strobe
Assistant Director
February 4, 2020