

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5709-04
Bill No.: SCS for HCS for HB Nos. 1659 & 1116
Subject: Taxation and Revenue - Property; Kansas City
Type: Original
Date: May 11, 2012

Bill Summary: This proposal allows the City of Kansas City to establish a land bank agency for the management, sale, transfer, and other disposition of tax delinquent land to return it to effective use and provide specified benefits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator, State Tax Commission** and **Department of Revenue** each assume the proposal would not fiscally impact their respective agencies.

In response to a previous version of the proposal, officials from the **Attorney General's Office** stated that any potential costs arising from this proposal can be absorbed with existing resources.

In response to a previous version of the proposal, officials from the **City of Kansas City** stated this legislation would have a positive fiscal impact on the City of approximately \$500,000 annually by not providing services to Jackson County Land Trust in the city (mowing, boarding, demolishing).

Oversight assumes that this proposal could result in savings to the City of Kansas City if properties could be resold more quickly than under existing provisions. Oversight is not able to determine the number or value of properties which could be rehabilitated under this provision. Accordingly, Oversight will indicate savings to the City of Kansas City of \$0 (no properties qualify) to unknown (multiple properties qualify).

In response to a similar proposal from this year (HB 1116), officials from the **County of St Louis** stated the current proposal would not fiscally impact their agency.

Officials from **Jackson County, the Jackson County Sheriff's Department,** and the **Buchanan County Sheriff's Department** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL GOVERNMENTS			
<u>Savings - City of Kansas City</u> Land bank agency for properties with delinquent taxes	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to 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 allows the City of Kansas City to establish a land bank agency for the management, sale, transfer, and other disposition of tax delinquent land to return it to specified effective use.

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

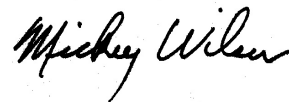
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SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Revenue
State Tax Commission
Attorney General's Office
City of Kansas City

Not Responding

Jackson County
Jackson County Sheriff
Buchanan County Sheriff



Mickey Wilson, CPA
Director
May 11, 2012