

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0497-01
Bill No.: HB 63
Subject: Taxation and Revenue - Property
Type: Original
Date: January 22, 2013

Bill Summary: This proposal permits the electronic transmission of property tax statements to taxpayers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials from **St. Louis County** assume that sending the actual bill via e-mail is a high security risk. An alternative is to send an e-mail informing the property owner that the bill is ready and they can retrieve it electronically through the website. The costs for the high and low security options do not differ significantly from each other since the underlying processes and modifications required remain the same and will have to be performed regardless of the option.

Initial implementation costs:

- External vendor modification of existing systems, roughly 20 hours @ \$175 per hour at an estimated cost of \$3,500.
- Internal programming and project management time to plan the process, modify the website, create procedures, etc., roughly 200 hours @ \$112 per hour for internal analysts, project management, and programmers. This results in an estimated cost of \$22,400.
- Mitigation of information systems security issues, roughly 20 hrs @ \$112 per hour for programmers and security analysts at an estimated cost of \$2,240.

Annual maintenance costs:

- Internal maintenance of automated processes and systems, roughly 30 hrs @ \$112 per hour for programmers will result in annual maintenance costs of \$3,360.

The total cost of implementing this bill is \$28,140. The cost to maintain this capability is \$3,360 per year.

Oversight assumes the proposal is permissive and, for fiscal note purposes only, will assign no fiscal cost.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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



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