

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1511-03  
Bill No.: HCS for HB 655  
Subject: Counties; Taxation and Revenue - Property  
Type: Original  
Date: March 16, 2015

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Bill Summary: This proposal specifies how certain counties should distribute annual payments from the federal "payments in lieu of taxes" (PILT) program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<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 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Distribution increase (decrease) nets to zero.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at **Henry County** assume a minor fiscal impact from this proposal.

In response to similar legislation filed this year (HB 197), officials at the **City of Deepwater** assumed this proposal would not cost the State of Missouri any funds but would cost the counties that have been withholding the cities PILT funding.

In response to similar legislation filed this year (HB 197), officials at the **City of Osceola** assumed no fiscal impact from this proposal.

**Oversight** assumes that the payments received by the county would now be distributed to other Local Political Subdivisions (LPS) within their county and have a zero net fiscal impact.

Officials at St. Clair County and Roscoe Village did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss</u> - Counties distributions of the PILT program to other LPS within the County	(Unknown)	(Unknown)	(Unknown)
<u>Income</u> - Other LPS receipts of PILT program distributions from their Counties	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<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.

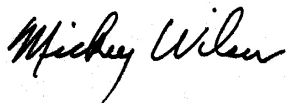
FISCAL DESCRIPTION

Currently, some counties receive an annual payment under the federal Payments in Lieu of Taxes Program to offset losses in property taxes due to non-taxable federal lands within their boundaries. This bill requires specified counties to distribute a portion of the payment to certain cities if the federal land originally was within the city's boundaries. The distribution must be determined by multiplying the payments in lieu of taxes payment per acre by the number of acres taken from the city and multiplying this product by a number equal to the average of the assessed valuation percentages for residential and commercial property divided by the assessed valuation percentage for agricultural property and multiplied by 100. These provisions would currently only affect the City of Deepwater in Henry County and the cities of Osceola and Roscoe in St. Clair County.

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

City of Deepwater  
City of Osceola  
Henry County



Mickey Wilson, CPA  
Director  
March 16, 2015

Ross Strobe  
Assistant Director  
March 16, 2015