

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0063H.011
Bill No.: HJR 10
Subject: Veterans; Taxation and Revenue - General; Taxation and Revenue - Property;
Revenue, Department of; Constitutional Amendments
Type: Original
Date: April 12, 2021

Bill Summary: This legislation proposes a constitutional amendment granting property tax exemptions to certain disabled veterans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	\$0 or (\$7,000,000)		\$0 or Could exceed \$1,334,803
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,000,000)	\$0	\$0 or Could exceed \$1,334,803

*The potential fiscal impact of “(More than \$7,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Blind Pension Fund (0621)	\$0	\$0	\$0 or (Unknown, Could exceed \$232,999)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0 or (Unknown, Could exceed \$232,999)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☒ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
			\$0 or (Unknown, Could exceed \$41,456,989)
Local Government	\$0*	\$0 or (Unknown)	

*Potential costs and state reimbursements net to zero in FY 2022 if a special election is called. Also, Oversight notes this impact could be substantially reduced if taxing authorities are able to increase the levy to other taxpayers to make up for the loss of property tax revenue of disabled veterans resulting from this proposal.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** assume, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the Governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Oversight has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2022. This reflects the decision made by the Joint Committee on Legislative Research that the cost of the elections should be shown in the fiscal note. The next scheduled statewide primary election is in August 2022 and the next scheduled general election is in November 2022 (FY 2023). It is assumed the subject within this proposal could be on one of these ballots;

however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2022.

Officials from the **State Tax Commission** have reviewed this proposal and determined an unknown fiscal impact. The U.S. Census Survey (2018) states the number of veterans in Missouri is 479,828 of which over 80,000 have service related disabilities. The Agency does not possess the data to determine the number of qualifying, eligible individuals under the proposed criteria or how many of these individuals own real and personal property or the potential fiscal impact from said exemption on the 2,900 local taxing jurisdictions such as school and fire districts, cities, counties who rely on property taxes for revenue.

Officials from the **Department of Public Safety - Missouri Veterans Commission** assume the proposal will have no fiscal impact on their organization. There are nearly no POWs in the state of Missouri.

Officials from **Office of Administration - Budget and Planning (B&P)** assume this proposal requires voter approval; therefore, neither TSR nor the calculation under 18(e) would be impacted.

This proposal would go to public vote in November 2022. For the purpose of this fiscal note, B&P assumes that the tax exemption would begin January 1, 2023 if voter approved.

This proposal would exempt the following upon voter approval:

- All former prisoners of war (POW) from real property taxation on their homes. Currently only POWs with a total service connected disability are exempt from such taxation.
- Veterans with an assigned disability rating of 30% to 49% - \$2,500 of assessed value for real and personal property.
- Veterans with an assigned disability rating of 50% to 69% - \$5,000 of assessed value for real and personal property.
- Veterans with an assigned disability rating of 70% to 100% - total assessed value for real and personal property.

B&P notes that this proposal would exempt part or all of the real and personal property owned by a qualifying veteran. This includes houses (primary and secondary), vehicles, trailers, boats, land, commercial buildings, etc.

General Revenue

During tax year 2019, there were 2,299 veterans that claimed the PTC as a disabled veteran, for total PTC claims of \$1,508,260. Under this proposal, some of these veterans would no longer be subject to real personal property taxes and thus would no longer claim the PTC beginning with tax year 2023. Other veterans would see reduced property taxes and thus claim a lower PTC amount beginning with tax year 2023. B&P notes that some veterans age 65 and older may have elected to claim the PTC as a senior rather than as a disabled veteran, and would no longer claim

the PTC, or would claim a reduced PTC, under this proposal. Therefore, B&P estimates that this proposal will increase GR by up to \$1,508,260 annually beginning in FY24.

Blind Pension Trust Fund

Veterans with 30-49% Assigned Disability Rating

Based on data from the U.S. Census Bureau, there were 13,479 veterans with a service-connected disability of 30% or 40% in Missouri during 2018. This proposal would exempt \$2,500 of the assessed valuation from real and personal property taxes.

B&P notes that the Blind Pension Trust Fund has a property tax levy of \$0.03 per \$100 valuation. Therefore, B&P estimates that this provision would reduce the Blind Pension Trust Fund by \$0.75 ($\$2,500 \times \$0.03/100$) per qualifying veteran. Using the U.S. Census Bureau number of veterans, B&P estimates that this provision will reduce revenues to the Blind Pension Trust Fund by \$10,109 ($\$0.75 \times 13,479$ veterans).

Exemption Amount	\$2,500
	x
Blind Pension Trust Fund levy	(0.03/100)
Median Blind Pension Tax	\$0.75
Qualifying veterans	x 13,479
Loss to Blind Pension Trust Fund	(\$10,109)

Veterans with 50-69% Assigned Disability Rating

Based on data from the U.S. Census Bureau, there were 11,542 veterans with a service-connected disability of 50% or 60% in Missouri during 2018. This proposal would exempt \$5,000 of the assessed valuation from real and personal property taxes.

B&P notes that the Blind Pension Trust Fund has a property tax levy of \$0.03 per \$100 valuation. Therefore, B&P estimates that this provision would reduce the Blind Pension Trust Fund by \$1.50 ($\$5,000 \times \$0.03/100$) per qualifying veteran. Using the U.S. Census Bureau number of veterans, B&P estimates that this provision will reduce revenues to the Blind Pension Trust Fund by \$17,313 ($\$1.50 \times 11,542$ veterans).

Exemption Amount	\$5,000
	x
Blind Pension Trust Fund levy	(0.03/100)
Median Blind Pension Tax	\$1.50
Qualifying veterans	x 11,542
Loss to Blind Pension Trust Fund	(\$17,313)

Veterans with 70-100% Assigned Disability Rating

Based on data from the U.S. Census Bureau, there were 27,099 veterans with a service-connected disability of 70% or greater in Missouri during 2018. Additionally, based on data from the U.S. Census bureau, the average median housing value in Missouri was \$151,600. B&P notes, however, that based on Section 137.115, RSMo, the assessed value for real property is 19% of the market value. Therefore, based on a market value of \$151,600, B&P estimates that the assessed value would be \$28,804.

B&P notes that the Blind Pension Trust Fund has a property tax levy of \$0.03 per \$100 valuation. Based on the U.S. Census Bureau data, B&P estimates that the Blind Pension Trust Fund receives a median of \$8.64 per real property within Missouri (\$28,804 median assessed value x 0.0003 Blind Pension levy). Therefore, B&P estimates that this provision could reduce funding to the Blind Pension Trust fund by \$234,168 (\$8.64 x 27,099 veterans).

Median Value	\$151,600
Assessed %	x 19%
Assessed Value	\$28,804
	x
Blind Pension Trust Fund levy	(0.03/100)
Median Blind Pension Tax	\$8.64
	x 27,099
Qualifying veterans	
Loss to Blind Pension Trust Fund	(\$234,168)

Blind Pension Summary

Therefore, B&P estimates that this proposal will reduce revenues to the Blind Pension Trust Fund by \$261,590 (\$10,109 + \$17,313 + \$234,168) annually beginning in FY24.

B&P notes that the estimates for the Blind Pension Trust Fund impact only include real estate and not commercial or personal property. Therefore, the loss to the Blind Pension Trust Fund could be significantly higher than the amount estimated above.

Local Property Tax Collections

Based on data from the U.S. Census bureau, the average median housing value in Missouri was \$151,600 and the average median real estate taxes paid was \$1,470 in 2018. Using this data, B&P estimates that the median property tax levy in Missouri is \$0.97 per \$100 market value. Subtracting the \$0.03 per \$100 valuation levy for the Blind Pension Trust Fund, B&P estimates that the median local real property tax levy is \$0.96 per \$100 market value.

Veterans with 30-49% Assigned Disability Rating

Based on data from the U.S. Census Bureau, there were 13,479 veterans with a service-connected disability of 30% or 40% in Missouri during 2018. This proposal would exempt \$2,500 of the assessed valuation from real and personal property taxes.

Therefore, B&P estimates that this provision will reduce local real property tax revenues by \$324,829 (\$2,500 exemption x \$0.98/\$100 x 13,479 veterans).

Exemption Amount	\$2,500
Median Local Real Property Tax	
Levy	x (0.96/100)
Median Local Real Property Tax	\$24.10
Qualifying veterans	x 13,479
Local Real Estate Taxes Lost	(\$324,829)

Veterans with 50-69% Assigned Disability Rating

Based on data from the U.S. Census Bureau, there were 11,542 veterans with a service-connected disability of 50% or 60% in Missouri during 2018. This proposal would exempt \$5,000 of the assessed valuation from real and personal property taxes.

Therefore, B&P estimates that this provision will reduce local real property tax revenues by \$556,300 (\$5,000 exemption x \$0.96/\$100 x 11,542 veterans).

Exemption Amount	\$5,000
Median Local Real Property Tax	
Levy	x (0.96/100)
Median Local Real Property Tax	\$48.20
Qualifying veterans	x 11,542
Local Real Estate Taxes Lost	(\$556,300)

Veterans with 70-100% Assigned Disability Rating

Based on data from the U.S. Census Bureau, there were 27,099 veterans with a service-connected disability of 70% or greater in Missouri during 2018. Additionally, based on data from the U.S. Census bureau, the average median housing value in Missouri was \$151,600.

Therefore, B&P estimates that this provision will reduce local real property tax revenues by \$39,601,362 (\$151,600 median home value x \$0.96/\$100 x 27,099 veterans).

Median Home Value	\$151,600
Median Local Real Property Tax	
Levy	x (0.96/100)
Median Local Real Property Tax	\$1,461.36
Qualifying veterans	x 27,099
Local Real Estate Taxes Lost	(\$39,601,362)

Local Property Tax Summary

Therefore, B&P estimates that this proposal will reduce local property tax revenues by \$40,482,491 (\$324,829 + \$556,300 + \$39,601,362) annually beginning in FY22.

B&P notes that the estimates for local property tax loss only include real estate and not commercial or personal property. Therefore, the loss to locals could be significantly higher than the amount estimated above.

Proposal Summary

B&P estimates that this proposal could increase GR by up to \$1,508,260 annually beginning in FY24. This proposal will also reduce the Blind Pension Trust Fund by an amount that could exceed \$261,590 annually beginning in FY24. Finally, this proposal could also reduce local revenues by an amount that could exceed \$40,482,491 annually beginning in FY24.

B&P notes that while this proposal will impact state funds, neither TSR nor the calculation under 18(e) would be impacted since it is voter-approved.

Officials from **Department of Revenue (DOR)** assume this proposal, since this is voted on by the people, it would not impact Total State Revenue. However, it would be an unknown loss to the Blind Pension fund and a savings to general revenue from fewer taxpayers being able to claim the property tax credit.

If approved by voters at the November 2022, general election or at a special election called for this purpose, this proposal would allow for an exemption of property tax for disabled veterans. This section states that effective January 1, 2023, the property of disabled veterans who have been assigned a disability rating of at least 30% shall be exempt from taxation according to the following schedule:

Assigned Disability Rating	Dollar Amount (of the Total Assessed Property Valuation) Exempt from Taxation
30% to 49%	\$2,500
50% to 69%	\$5,000
70% to 100%	The value of all assessed property is exempt from taxation.

The Department believes that that are approximately 413,189 veterans residing in Missouri (per the US. Census Bureau). According to the US Census Bureau American Community Survey 5 year estimate for 2018, Missouri reported the following disability rating for veterans:

	Missouri
	Estimate
Total	413,189
Has no service-connected disability rating	325,543
Has a service-connected disability rating:	87,646
0 percent	3,530
10 or 20 percent	26,758
30 or 40 percent	13,479
50 or 60 percent	11,542
70 percent or higher	27,099
Rating not reported	5,238

According to the data above 13,479 veterans would exempt up to \$2,500 in assessed valuation from tax, 11,542 would exempt up to \$5,000 in assessed valuation from tax and 27,099 would be exempt from all property tax. The Department is unable to determine the amount of tax that would be exempt by those with the \$2,500 or \$5,000 assessed valuation exemption.

Assuming that all of these individuals own their dwelling and or tangible personal property, specific by the various classifications of property tax, they would pay Missouri property tax. The Tax Foundation estimates that the per capita state and local property tax collections for Missouri equals \$1,039. The Department notes that some veterans may have a property tax amount that is lower than this amount. The Department is unable to determine the amount of tax paid by those with the lower disability rating. Therefore, the veterans would be exempt from state and local property tax, of greater than \$28,155,861 (\$1,039 per person x 27,099 veterans) for those fully exempt.

The Missouri Blind Pension fund receives \$.03 for each \$100 valuation of taxable property in the state of Missouri. The Department is unable to determine the actual valuation of the taxable property owned by Missouri veterans, as there are no publications specifying assessed value of property owned by Missouri veterans.

The Department estimates that the Missouri Blind Pension Fund could decrease by a minimum to substantial amount.

Additionally, DOR notes that if a disabled veteran is exempt from paying real property tax, they would no longer be eligible to claim the Senior Property Tax Credit. Currently a person can claim the Senior Property Tax Credit if:

- They are 65 years or older
- 100% Disabled Veteran as a result of military service
- 100% Disabled or
- 60 years of age or older and receiving surviving spouse benefits

In TY 2018 – 1,747 taxpayers checked the disabled veteran box on the PTC form. They claimed \$1,161,345 in property tax credits.

In TY 2019- 2,299 taxpayers checked the disabled veteran box on the PTC form. They claimed \$1,508,260 in property tax credits.

Two year average claimed by disabled veterans is \$1,334,803.

DOR notes that if a disabled veteran is also over the age of 65 years of age they may have just checked the 65+ box instead of the Veterans box so the amount that could be exempt could be higher.

DOR assumes this would result in a savings to General Revenue that Could Exceed \$1,334,803 annually from veterans no longer owing property tax and being ineligible for the property tax credit.

Given the election for this proposal is November 2022 (FY 2023) and the bill starts with property taxes on January 1, 2023; this proposal will have an impact starting in FY 2024 due to the filing deadline for the taxes being 12/31/2023 (FY 2024).

FY 2022 \$0

FY 2023 \$0

FY 2024 \$1,334,803 savings to GR and Unknown loss to Blind Pension fund

Administrative Impact

DOR states there is no administrative impact at this time.

Officials from the **Howell County Assessor's Office** assume an undetermined revenue loss at this time as there is no knowledge of the number of potential recipients in our county. Additional programming will be required to implement and track the exemptions and that may be as little as \$1,500 and as great as \$10,000 or more and may take 2 years to obtain reliable systems to monitor this.

Officials from **Wright County Assessor's Office** assume there would be a huge impact on their office and their county. Other people would face the burden of replacing that tax with a larger levy.

Officials from **Jackson County** assume a negative fiscal impact of \$100,000 for additional staff and technology costs in assessment office to track and maintain these records. Significant potential fiscal impact to taxing jurisdictions who would lose current assessed property valuation owned or potentially owned by disabled veterans.

Officials from the **City of Jefferson** assume this proposal would create an unknown reduction in tax revenues received by the City of Jefferson.

Officials from the **City of Kansas City** assume this proposal would have a negative fiscal impact on Kansas City in an indeterminate amount.

Officials from the **City of Springfield** state they anticipate a negative fiscal impact but have no assessment data on disabled veterans with a disability rating of at least 30% from taxation so they cannot calculate the fiscal impact.

Officials from the **City of St. Louis Assessor's Office** cannot provide a response to this fiscal note because it does not have any information from the local Veterans Administration about the total number of POWs in the City or any information about which ones own real estate.

At the end of the legislation there is a chart for disabled veterans to receive an exemption of certain amounts of value from being taxes. This would apply to both residential and personal property. However the Assessor has not been able to get any information from the local Veterans Administration office on how many disabled veterans reside in the City or how many own real and/or personal property.

Without more information on the number of persons affected and what property they own, it is not possible to estimate the fiscal impact of this legislation.

Officials from the **City of Brentwood** state residents are not assessed property tax. However, it is difficult to determine how many commercial properties in the City of Brentwood are owned by veterans. Therefore, at this time, the impact is unknown. The City of Brentwood assessed personal and real taxes on commercial property. However, if this is for a residential property, there is no fiscal impact to the City of Brentwood.

Officials from the **City of Osage Beach** state Osage Beach does not impose property tax therefore this has no impact on our city.

Officials from the **Newton County Health Department** assume the proposal will have no fiscal impact on their organization. Since lost tax money will be replaced, it creates no impact.

Officials from the **Randolph County Health Department** there will be a fiscal impact to local public health, but the numbers are not determined at this time because we are not sure of the amount of disabled veterans in our county.

Officials from the **St. Louis County Health Department** assume the proposal will have a negative fiscal impact on their organization.

Officials from **Boone County Sheriff's Office** assume the proposal will have no fiscal impact on their organization, as long as the supplemental tax rate is adequate to cover the lost revenues as written.

Officials from the **Kimberling City Police Department** assume there would be a small impact to the police department budget.

Officials from the **Butterfield Fire Protection District** assume there will be a small financial impact on the district but not enough to not support it.

Officials from the **Florissant Valley Fire Protection District** assume the impact of this is unknown since we do not know how many prisoners of war live in our fire district.

Officials from the **Holt Community Fire Protection District** assume the proposal will have no fiscal impact on their organization. It appears that any lost revenue would be reimbursed by a county-wide tax of other assets.

Officials from the **Raytown Fire Protection District** state they are not sure how to quantify the exact amount, but this legislation would be a significant financial hit to our Fire District and would almost certainly result in a severe reduction in the service we are able to provide to our citizens. Our primary source of revenue as a Fire District is generated by the payment of property tax and targeted recipients of this exemption are by far the utilizers of our service. Our ambulance billing model relies heavily on a 2019 voter approved ambulance levy which allows us to not bill a citizen beyond what insurance will cover.

Officials from Kearney Fire & Rescue Protection District assume a home with an assessed value of \$49,000 would generate approximately \$459 to the fire district. There would also be a decrease to the fire district based on the exemption of personal property. The amount would be dependent upon the assessment amount of the property.

Officials from the **West County EMS & Fire Protection District** assume the proposal will have an unknown impact on their organization.

Officials from the **Rolla Rural Fire Protection District** state due to a property tax being created to cover the taxes lost to this will then not have an impact on our department.

Officials from the **Cole Camp Ambulance District** state the ambulance district is supported partially by a property tax, so any reduction in property taxes collected will impact the services we can provide.

Officials from the **Bowling Green R-I School District** state, with respect to school districts, this could mean less revenue.

Officials from the **City of Ellington, City of Minden Mines, Affton 101 School District, Fordland R-III School District, Malta Bend R-V School District, Fordland R-III School District, Eastern Clay Ambulance District, Fredericktown Fire Department, Newark Rural Fire Protection District, Palmyra Fire Protection District, St. Clair Fire Protection District, Gravois Fire Protection District, Wentzville Fire Protection District** and the **Wood Heights Fire Protection District** each assume the proposal will have a fiscal impact on their respective organizations.

Officials from the **City of Corder, City of Sugar Creek, City of Emerald Beach, City of Bland, City of Doolittle, City of Hale, City of Norborne, City of Puxico, High Point R-III School District, Cass County Health Department, Miller County Health Department, Crestwood Police Department, Ellisville Police Department, Ellington Police Department, Springfield Police Department, St. John Police Department, St. Joseph Police Department, St. Louis County Police Department, Weston Police Department, Boone County Sheriff's Office, Lexington Fire & Rescue, Mexico Department of Public Safety, Pluto Rural Fire Protection Association, Gainesville Fire Department, Crawford County 911 Board, Barry County 911 Board, Nodaway County Ambulance District** and the **Pettis County Ambulance District** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes the Blind Pension Fund (0621) is calculated as an annual tax of three cents on each one hundred dollars valuation of taxable property $((\text{Total Assessed Value}/100) \times .03)$. Because this proposal exempts the assessed value, the Blind Pension Fund will experience a decrease in revenue relative to what it would have received under current law.

Based on information from the US Census Bureau, Oversight notes the following [Service-Connected Disability-Rating Status and Ratings](#) for veterans in Missouri for 2019:

Total	382,548
Has no service-connected disability rating	283,649
Has a service-connected disability rating	98,899
0 percent	3,843
10 or 20 percent	28,101
30 or 40 percent	14,511
50 or 60 percent	11,647
70 percent or higher	35,114
Rating not reported	5,683

Based on estimates from the [Housing Assistance Council](#), **Oversight** notes the homeownership rate for veterans is 77.7% with a median house value of \$137,000. Based on this information, Oversight estimates the property tax revenue per Veteran is \$7.809 ((((\$137,000*.19%)/100)*.03)). Oversight estimates the loss to the Blind Pension Fund in the table below:

Estimated Lost Revenue: Blind Pension Fund

	Qualifying Veterans (Adj. for 77% Homeownership)	Exempt Assessed Value	Revenue Lost per Veteran	Lost Revenue
30% to 49%	11,173	\$2,500	\$0.75	\$8,380
50% to 69%	8,968	\$5,000	\$1.50	\$13,452
70% to 100%	27,038	\$26,030	\$7.81	\$211,167
Total				\$232,999

Oversight notes property tax levies differ based on the location of the property and the varying taxing entities. Based on information from the [Greene County Collector's](#) website, Oversight estimated the property tax levy for a property in the City of Springfield at \$5.6316 (not counting the .03 collected for the Blind Pension Fund) in the table below:

Taxing District	2020 Tax Levy
County General Revenue	0.1248
Road	0.1248
Co. Dev. Disability Programs	0.0467
Library	0.2434
OTC College	0.1996
Springfield R-12 Schools	4.2727
City of Springfield	0.6196
Total	5.6316

Using the median value of \$137,000 and a tax levy of 5.6316, Oversight estimates the assessed value per veteran at \$26,030 and the local property revenue per Veteran at \$1,466 $((\$137,000 \times .19\%) / 100) \times 5.6316$). **Oversight** estimates the loss of property tax revenue from this proposal in the table below:

Estimated Lost Revenue: Local Political Subdivisions

	Qualifying Veterans (Adj. for 77% Homeownership)	Exempt Assessed Value	Revenue Lost per Veteran	Lost Revenue
30% to 49%	11,173	\$2,500	\$141	\$1,575,393
50% to 69%	8,968	\$5,000	\$282	\$333,888
70% to 100%	27,038	\$26,030	\$1,466	\$39,637,708
Total				\$41,546,989

Oversight notes this proposal is contingent on a voter approved amendment to the Constitution. Oversight will show the impact as either \$0 (Constitutional amendment is not approved by voters) to an unknown loss in revenue to the Blind Pension Fund and local political subdivisions beginning in FY 2024.

Oversight will use the Department of Revenue's estimate of \$1,334,803 in savings to General Revenue for veterans no longer claiming the property tax credit.

Oversight assumes the effective date of this proposal, if voter approved, would be January 1, 2023 with impacted revenues occurring in FY 2024 (December 2023).

Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Revenue Gain</u> – DOR – veterans no longer claiming the Senior Property Tax Credit	\$0	\$0	\$0 or Could exceed \$1,334,803
<u>Transfer Out</u> – Local Election Authorities – the cost of the special election if called for by the Governor	\$0 or (\$7,000,000)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (\$7,000,000)	\$0	\$0 or Could exceed \$1,334,803
BLIND PENSION FUND			
<u>Revenue Loss</u> - expansion of property tax exemption to resident prisoners of war and disabled veterans – Article X, Section 6	\$0	\$0	\$0 or (Unknown, Could exceed \$232,999)
ESTIMATED NET EFFECT ON THE BLIND PENSION FUND	\$0	\$0	\$0 or (Unknown, Could exceed \$232,999)

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs</u> – to implement and monitor	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue Loss</u> - expansion of property tax exemption to resident prisoners of war and disabled veterans – Article X, Section 6	\$0	\$0	\$0 or (Unknown, Could exceed \$41,546,989)
<u>Transfer In</u> – Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than \$7,000,000	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election if called by Governor	\$0 or (More than \$7,000,000)	\$0	\$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0	\$0 or (Unknown)	\$0 or (Unknown, Could exceed \$41,546,989)

***Oversight notes this impact could be substantially reduced if taxing authorities are able to increase the levy to other taxpayers to make up for the loss of property tax revenue of disabled veterans resulting from this proposal.**

FISCAL IMPACT – Small Business

Oversight assumes there could be an impact to small businesses owned by veterans with a total service connected disability. Conversely, taxing jurisdictions may be able to increase the levy to all other property owners to make up for the lost revenue.

FISCAL DESCRIPTION

Beginning January 1, 2023, upon voter approval, this proposed Constitutional amendment would exempt \$2500 from the total assessed property valuation for veterans who have received a 30% to 49% disability rating from the Department of Veterans Affairs, \$5000 from the total assessed property valuation for veterans who have received a 50% to 69% disability rating from the Department of Veterans Affairs, and a total exemption of all assessed property for veterans who have received at least a 70% disability rating from the Department of Veterans Affairs.

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 Administration - Budget and Planning

Department of Revenue

Missouri Veterans Commission

Department of Social Services

Office of the Secretary of State

State Tax Commission

Office of the State Auditor

City of Ballwin

City of Bland

City of Brentwood

City of Corder

City of Doolittle

City of Ellington

City of Emerald Beach

City of Hale

City of Jefferson City

City of Kansas City

City of Mansfield

City of Minden Minds

City of Norborne

City of Osage Beach

City of Puxico

City of Springfield

City of St. Louis

City of Sugar Creek

Jackson County

Cass County Health Department

Miller County Health Department

Newton County Health Department

Randolph County Health Department

St. Louis County Health Department

Boone County Assessor's Office

Howell County Assessor's Office

Jefferson County Assessor's Office

Wright County Assessor's Office

Boone County Sheriff's Office

Clay County Sheriff's Office

Crestwood Police Department

Ellington Police Department

Ellisville Police Department
Kansas City Police Department
Kimberling City Police Department
Springfield Police Department
St. John Police Department
St. Joseph Police Department
St. Louis County Police Department
Weston Police Department
Butterfield Fire Protection District
Florissant Valley Fire Protection District
Fredericktown Fire Department
Gainesville Fire Department
Gravois Fire Protection District
Holt Community Fire Protection District
Kearney Fire & Rescue Protection District
Lexington Fire & Rescue
Mexico Department of Public Safety
Newark Rural Fire Protection District
Palmyra Fire Protection District
Plato Rural Fire Protection District
Raytown Fire Protection District
Rolla Rural Fire Protection District
St. Clair Fire Protection District
Sugar Creek Fire Department
Wentzville Fire Protection District
West County EMS & Fire Protection District
Wood Heights Fire Protection District
Barry County 911 Board
Caldwell County Ambulance District
Cole Camp Ambulance District
Crawford County 911 Board
Eastern Clay Ambulance District
Nodaway County Ambulance District
Pettis County Ambulance District
Affton 101 School District

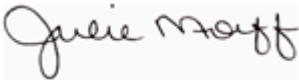
HL.R. No. 0063H.01I

Bill No HJR 10

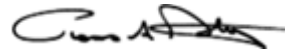
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April 12, 2021

Bowling Green R-1 School District
High Point R-III School District
Malta Bend R-V School District



Julie Morff
Director
April 12, 2021



Ross Strobe
Assistant Director
April 12, 2021