

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1653H.02C
Bill No.: HCS for HJR 32
Subject: Taxation and Revenue - General; Taxation and Revenue - Property; Property,
Real and Personal; Constitutional Amendments; Veterans
Type: Original
Date: March 19, 2021

Bill Summary: This joint resolution proposes an amendment to the Constitution of Missouri relating to property tax exemptions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	\$0 or (More than \$7,000,000)	\$0	\$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)” in FY 2022 would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

If approved by voters, there would be a savings (FY 2024 & thereafter) to the state’s General Revenue Fund from a reduction in Senior Property Tax Credits utilization.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Blind Pension Fund (0621)	\$0	\$0	\$0 or (Could exceed \$79,818)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0 or (Could exceed \$79,818)

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
Local Government*	\$0	\$0 or (Unknown)	\$0 or (Could exceed \$14,982,520)

*Potential costs and state reimbursements net to zero in FY 2022 if a special election is called.

*Also, Oversight notes the fiscal impact to local political subdivisions 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.

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 specific data to determine the number of qualifying, eligible individuals or the real property held by said individuals under the proposed criteria which states: "all real property used

as a homestead as defined by law of any citizen of this state who is a military veteran and who has a [total] one hundred percent disability.”

Officials from **Office of Administration - Budget and Planning (B&P)** assume 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, upon voter approval, veterans with a 100% service-connected disability rating from real property taxation on their primary home. Current law only exempts former prisoners of war (POW) with total service-connected disabilities.

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. 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 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

Based on data from the Missouri Veterans Commission there were 13,153 veterans with a 100% service-connected disability during FY19. Additionally, based on data from the U.S. Census bureau, the average median housing value in Missouri was \$157,200 and the average median real estate taxes paid was \$1,526 in 2019. 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 \$157,200, B&P estimates that the assessed value would be \$29,868.

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 \$8.96 per real property within Missouri (\$29,868 median assessed value x 0.0003 Blind Pension levy). Therefore, B&P estimates that this proposal could reduce funding to the Blind Pension Trust fund by up to \$117,856 (\$8.96 x 13,153 veterans).

Median Value	\$157,200
Assessed %	x 19%
Assessed Value	\$29,868
	x
Blind Pension Trust Fund levy	(0.03/100)
Median Blind Pension Tax	\$8.96
	x 13,153
Qualifying veterans	
Loss to Blind Pension Trust Fund	(\$117,856)

Local Property Tax Collections

Based on data from the U.S. Census bureau, the average median housing value in Missouri was \$157,200 and the average median real estate taxes paid was \$1,526 in 2019. 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 \$0.965 per \$100 market value. Therefore, B&P estimates that this provision will reduce local real property tax revenues by \$19,953,622 (\$157,200 median home value x \$0.965/\$100 x 13,153 veterans).

Median Home Value	\$157,200
Median Local Real Property Tax Levy	x (0.965/100)
Median Local Real Property Tax	\$1,517.04
	x 13,153
Qualifying veterans	
Local Real Estate Taxes Lost	(\$19,953,622)

Summary

B&P estimates that this proposal will increase GR by an amount up to \$1,508,260 annually beginning in FY24. In addition, this proposal may reduce funding to the Blind Pension Trust Fund by up to \$117,856 annually beginning in FY24. This proposal will also reduce local tax collections by up to \$19,953,622 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.

Based on county level data published by the U.S. Census Bureau B&P estimated the potential local revenue by county. B&P notes that these estimates are based on the average statewide local property tax; the actual impact to any one specific area could be greater or less than the estimates shown below.

County	% of Veterans with a Disability Rating of 70% - 100%	Estimated impact (13,153 veterans)
Adair	0.2%	\$45,540
Andrew	0.4%	\$88,321
Atchison	0.1%	\$12,420
Audrain	0.5%	\$92,461
Barry	0.8%	\$153,182
Barton	0.2%	\$45,540
Bates	0.2%	\$47,610
Benton	0.8%	\$153,872
Bollinger	0.0%	\$5,520
Boone	3.1%	\$609,966
Buchanan	1.2%	\$242,192
Butler	1.7%	\$338,793
Caldwell	0.4%	\$89,701
Callaway	0.6%	\$118,681
Camden	1.5%	\$290,493
Cape Girardeau	0.9%	\$188,372
Carroll	0.2%	\$35,190
Carter	0.2%	\$34,500
Cass	1.9%	\$369,844
Cedar	0.2%	\$39,330
Chariton	0.0%	\$7,590
Christian	1.7%	\$342,243
Clark	0.2%	\$33,810
Clay	4.2%	\$841,119
Clinton	0.5%	\$94,531
Cole	1.3%	\$264,273
Cooper	0.3%	\$51,751
Crawford	0.6%	\$117,301
Dade	0.0%	\$8,970
Dallas	0.6%	\$118,681
Daviess	0.1%	\$24,150
DeKalb	0.2%	\$49,681
Dent	0.5%	\$91,771
Douglas	0.3%	\$51,061
Dunklin	0.3%	\$51,061
Franklin	0.9%	\$175,952
Gasconade	0.1%	\$20,010
Gentry	0.1%	\$20,010

Greene	3.4%	\$681,037
Grundy	0.2%	\$45,540
Harrison	0.1%	\$16,560
Henry	0.6%	\$121,441
Hickory	0.2%	\$48,990
Holt	0.1%	\$17,250
Howard	0.1%	\$26,910
Howell	0.9%	\$184,922
Iron	0.2%	\$43,470
Jackson	8.7%	\$1,732,608
Jasper	1.8%	\$363,634
Jefferson	2.6%	\$511,295
Johnson	1.7%	\$336,723
Knox	0.1%	\$23,460
Laclede	1.1%	\$215,282
Lafayette	0.5%	\$109,021
Lawrence	0.8%	\$166,982
Lewis	0.2%	\$46,230
Lincoln	0.9%	\$179,402
Linn	0.1%	\$21,390
Livingston	0.1%	\$20,010
McDonald	0.3%	\$51,751
Macon	0.2%	\$42,780
Madison	0.8%	\$155,252
Maries	0.3%	\$51,751
Marion	0.6%	\$111,781
Mercer	0.1%	\$10,350
Miller	0.7%	\$146,281
Mississippi	0.1%	\$25,530
Moniteau	0.4%	\$71,071
Monroe	0.2%	\$35,190
Montgomery	0.3%	\$56,581
Morgan	0.6%	\$110,401
New Madrid	0.5%	\$104,881
Newton	0.8%	\$161,462
Nodaway	0.1%	\$20,010
Oregon	0.4%	\$74,521
Osage	0.3%	\$55,891
Ozark	0.3%	\$62,101
Pemiscot	0.2%	\$47,610
Perry	0.1%	\$17,250

Pettis	0.7%	\$140,071
Phelps	1.3%	\$254,613
Pike	0.3%	\$64,171
Platte	2.0%	\$396,754
Polk	0.7%	\$129,721
Pulaski	6.5%	\$1,292,383
Putnam	0.0%	\$8,970
Ralls	0.2%	\$49,681
Randolph	0.5%	\$97,291
Ray	0.7%	\$131,791
Reynolds	0.2%	\$31,050
Ripley	0.6%	\$120,061
St. Charles	4.3%	\$861,129
St. Clair	0.5%	\$98,671
Ste. Genevieve	0.2%	\$37,950
St. Francois	1.2%	\$243,572
St. Louis	10.2%	\$2,044,491
Saline	0.2%	\$36,570
Schuyler	0.1%	\$11,040
Scotland	0.0%	\$6,210
Scott	1.1%	\$218,732
Shannon	0.2%	\$37,260
Shelby	0.1%	\$16,560
Stoddard	0.5%	\$93,151
Stone	0.5%	\$104,881
Sullivan	0.1%	\$11,730
Taney	1.2%	\$242,192
Texas	2.0%	\$389,854
Vernon	0.2%	\$46,230
Warren	0.5%	\$104,881
Washington	0.8%	\$160,772
Wayne	0.6%	\$113,851
Webster	0.4%	\$87,631
Worth	0.0%	\$4,830
Wright	0.2%	\$33,120
St. Louis City	2.7%	\$541,655

*Estimated impacts based on average statewide property tax rate. The actual impact for a particular area could be greater or less than the amount estimated above.

Officials from **Department of Revenue (DOR)** assume, Section 6, 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 real property tax for military disabled veterans.

This section states that the property of military disabled veterans who have a 100% service-connected disability as determined by the United States Department of Veterans Affairs shall be exempt from real property taxation. The Department received updated information from the Missouri Veterans Commission stating that in FY 2019 there were 13,153 100% service connected disabled veterans in Missouri.

Assuming that all of these individuals own their dwelling, 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. Therefore, the veterans would be exempt from state and local real property tax, of greater than \$13,665,967 (\$1,039 per person x 13,153 veterans).

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 military 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:

- A. They are 65 years or older
- B. 100% Disabled Veteran as a result of military service
- C. 100% Disabled or
- D. 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 military veterans no longer owing real property tax and being ineligible for the property tax credit.

Given the election for this proposal is November 2022 (FY 2023) the bill could start 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

DOR assumes the proposal will have no administrative impact on their organization.

Officials from the **Department of Social Services, Office of the State Auditor** and the **Department of Public Safety - Missouri Veterans Commission** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Howell County Assessor's Office** state the lack of data prevents accurate estimation of tax revenue loss, but estimate the loss to be between \$1,000 and \$100,000.

Officials from the **Lincoln County Assessor's Office** assume there may be more paper work for staff and possible significant reduction in property taxes for the taxing entities.

Officials from the **Cape Girardeau County Collector's Office** assume there would or could be an impact to the entities where these homesteads are located, but without knowing the number of one hundred percent disabled service connected military veterans living in our county, there would be no way to estimate the amount.

Officials from the **Fruitland Area Fire Protection District** assume this legislation could have negative fiscal impact for entities that are funded by property taxes.

Officials from the **Cole Camp Ambulance District** state any reduction in taxes collected would impact the financial situation of the ambulance district over time.

Officials from the **Crawford County 911 Board** and the **Nodaway County Ambulance District** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from **Boone County Assessor's Office** stated there are 9,132 Military veterans living in Boone County. The median price of a home in Boone County is \$180,000. The effective tax rate for residential property is 1.3%. If 50% of the

military veterans living in Boone County own a home, this amendment would cost the taxing entities \$11 million dollars annually.

In response to a previous version, officials from the **St. Louis County Assessor's Office** assumed the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **City of St. Louis Assessor's Office** cannot provide an estimate of the fiscal impact because it cannot get any information from the local VA office regarding the number of veterans who have "a total service-connected disability".

In response to a previous version, officials from the **City of Kansas City** assumed this proposal provides a property tax exemption for military veterans. It would have a negative fiscal impact of an indeterminate amount.

In response to a previous version, officials from the **City of Springfield** anticipated a fiscal impact, but have no assessment data on military veterans with a total service-connected disability so cannot calculate the fiscal impact.

In response to a previous version, officials from the **City of Ballwin** assumed there will not be an impact as the City of Ballwin does not collect a property tax.

In response to a previous version, officials from the **City of Brentwood** stated residents are not assessed property tax. However, it is difficult to determine how many commercial properties in the City of Brentwood are owned by disabled veterans. Therefore, at this time, the fiscal 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.

In response to a previous version, officials from the **Newton County Health Department** assumed the impact would be negative in the amount of taxes reduced to the local public health agency depending on the number of persons meeting the criteria in the bill.

In response to a previous version, officials from the **Springfield R-XII School District** stated the fiscal impact to the District is unknown.

In response to a similar proposal, HJR 3 (2021), officials from the **St. Louis County Health Department** assumed there would be a negative fiscal impact on St. Louis County Department of Public Health. The amount of loss in revenue is unknown.

In response to a similar proposal, HJR 3 (2021), officials from the **Village of Gordon, Gravois Fire Protection District, St. Clair Fire Protection District, Caldwell County Ambulance District, Malta Bend R-V School District, City of Gordonville, City of Hale, Wood Heights Fire Protection District** and the **Newark Rural Fire Protection District** each assumed the proposal would have a fiscal impact on their respective organizations.

In response to a similar proposal, HJR 3 (2021), officials from the **Kimberling City Police Department** assumed there would be a small impact to our police department budget.

In response to a similar proposal, HJR 3 (2021), officials from the **Florissant Valley Fire Protection District** assumed the impact of this is unknown since they do not know how many veterans that meet this criterion live in our fire district.

In response to a similar proposal, HJR 3 (2021), officials from the **Wentzville Fire Protection District** stated, as a Tax Supported Fire Protection District, any reduction in taxes will have an impact on our Budget and ability to respond to emergency calls. All tax supported Governmental agencies will be impacted by any granting of exemptions to Real and/or Personal Property Taxes.

In response to a similar proposal, HJR 3 (2021), officials from the **West County EMS & Fire Protection District** assumed the proposal would have an unknown fiscal impact on their organization.

In response to a similar proposal, HJR 3 (2021), officials from the **Raytown Fire Protection District** stated 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 they 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.

In response to a previous version, officials from the **Crawford County 911 Board, Nodaway County Ambulance District, Northland Regional Ambulance District, St. Charles Community College** and the **High Point R-III School District** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a similar proposal, HJR 3 (2021), officials from the **City of Corder, City of Ellington, City of Minden Mines, City of Puxico, Crestwood Police Department, Ellisville Police Department, Springfield Police Department, St. Joseph Police Department, St. Louis County Police Department, Weston Police Department, Gainesville Fire Department, Lexington Fire & Rescue, Plato Rural Fire Protection Association, Sugar Creek Fire Department, Kansas City Police Department, St. John Police Department, Crawford County 911 Board, Nodaway County Ambulance District, Pettis County Ambulance District, and the Boone County Sheriff** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes, per information on the State Tax Commission's [website](#), an applicant must meet the following requirements to qualify for the property tax exemption as it exists in current law:

- be a former prisoner of war and
- a veteran of any branch of the armed forces of the United States or this state who became one hundred percent disabled as a result of his or her military service, and must
- own and occupy the homestead as a primary residence.

Based on information provided by the Missouri Veterans' Commission to B&P and DOR, **Oversight** notes there were 13,153 veterans with a total (100%) service-connected disability in Missouri in 2020.

Oversight requested additional information from the **Missouri Veterans Commission**, however, they did not respond to **Oversight's** request for information.

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. Assuming a similar homeownership rate for veterans with a total (100%) service connected disability, Oversight estimates 10,220 veterans may qualify for the property tax exemption ($13,153 * .777$).

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 a loss of revenue of \$1,466 per veteran ($((\$137,000 * .19 = \$26,030 \text{ in assessed value}) / 100 = \$260.3) * 5.6316$). Oversight estimates the total revenue losses to local political subdivisions at

\$14,982,520 (10,220 veterans * \$1,466 revenue loss per veteran). Because tax rates vary by location, Oversight assumes the loss to local political subdivisions could exceed \$14,982,520.

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 ((Total Assessed Value/100)*.03). Oversight estimates a reduction in residential real property tax revenue to the Blind Pension Fund at \$7.81 per veteran ($\$137,000 * .19 = \$26,030$ in assessed value / 100 = $\$260.30 * .03$) for an estimated total of \$79,818 (10,220 * \$7.81).

Oversight assumes this proposal expands the exemption to all former prisoners of war (not just those with a service-connected disability). However, based on information from the Missouri Veterans Commission, there are nearly no former prisoners of war in Missouri.

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 AND/OR the local political subdivisions may be able to increase the levy to all other taxpayers to replace the lost property tax revenues from disabled veterans) 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 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 (if amendment is approved by voters)	\$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> - no real property tax collected from veterans with a total service-connected disability	\$0	\$0	\$0 or (Could exceed \$79,818)
ESTIMATED NET EFFECT ON BLIND PENSION FUND	\$0	\$0	\$0 or (Could exceed \$79,818)

<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> - no real property tax collected from veterans with a total service-connected disability*	\$0	\$0	\$0 or (Unknown, Could exceed \$14,982,520)
<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 \$14,982,520)

***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

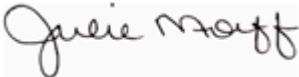
Upon voter approval, this proposed Constitutional amendment would exempt all real property used as a homestead from taxation for any military veteran who has a total service-connected disability.

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

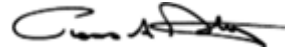
SOURCES OF INFORMATION

Office of the Secretary of State
State Tax Commission
Office of Administration - Budget and Planning
Department of Revenue
Department of Public Safety - Missouri Veterans Commission
Department of Social Services
Office of the State Auditor
Howell County Assessor's Office
Boone County Assessor's Office
City of St. Louis Assessor's Office
St. Louis County Assessor's Office
City of Kansas City
City of Springfield
City of Ballwin
City of Brentwood
Village of Gordon
Jackson County
St. Louis County Health Department
Gravois Fire Protection District
St. Clair Fire Protection District
Caldwell County Ambulance District
High Point R-III School District
Malta Bend R-V School District
Springfield R-XII School District
St. Charles Community College
City of Gordonville
City of Hale
Crawford County 911 Board
Nodaway County Ambulance District
Northland Regional Ambulance District
Wood Heights Fire Protection District
Newark Rural Fire Protection District
Kimberling City Police Department
Florissant Valley Fire Protection District
Wentzville Fire Protection District
West County EMS & Fire Protection District
Raytown Fire Protection District
City of Corder
City of Ellington
City of Minden Mines
City of Puxico
Crestwood Police Department
Ellisville Police Department

Springfield Police Department
St. Joseph Police Department
St. Louis County Police Department
Weston Police Department
Gainesville Fire Department
Lexington Fire & Rescue
Plato Rural Fire Protection Association
Sugar Creek Fire Department
Kansas City Police Department
St. John Police Department
Crawford County 911 Board
Nodaway County Ambulance District
Pettis County Ambulance District
Boone County Sheriff
Newton County Health Department



Julie Morff
Director
March 19, 2021



Ross Strobe
Assistant Director
March 19, 2021