

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4696H.01I
Bill No.: HB 2061
Subject: Political Subdivisions; Taxation and Revenue - General
Type: Original
Date: February 11, 2024

Bill Summary: This proposal creates provisions relating to local ballot proposals by political subdivisions to impose a new tax or increase the rate of an existing tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to similar legislation from 2023, HCS for HB 1144, officials from the **Pettis County Ambulance District** assumed this proposal could potentially cause a shortfall in the budget for multiple years causing reduction in EMS services to the service area.

Officials from the **Branson Police Department** assume this proposal could have a potential negative impact to public safety sales taxes. If a vote were to fail, the community would not be able to resubmit to the voters for another 3 years.

Oversight assumes this proposal could have an indirect impact if a local political subdivision (LPS) would have to wait 4 years to resubmit a ballot issue that was for a new or increased tax authorized under a specific statute and it does not pass. An LPS may resubmit to the voters a previously rejected tax proposal sooner than the 4 years if the new proposal states a “substantial change” as outlined in subsection 2 of the proposal. Therefore, Oversight assumes the proposal would not have a direct fiscal impact.

Officials from the **Department of Revenue**, the **Office of Administration - Budget and Planning**, the **Office of the Secretary of State**, the **State Tax Commission**, the **City of Kansas City**, the **City of O’Fallon**, the **Jackson County Board of Elections**, the **Kansas City Board of Elections**, the **Platte County Board of Elections**, the **St. Louis City Board of Elections**, the **St. Louis County Board of Elections**, the **Lincoln County Assessor’s Office**, **Greene County**, the **Phelps County Sheriff’s Office**, the **Kansas City Police Department** and the **St. Louis County Police Department** 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.

In response to similar legislation from 2023, HCS for HB 1144, officials from the **City of Springfield** and the **St. Joseph Police Department** each assumed 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, local election authorities, counties, county assessors, county collectors, county treasurers, local law enforcement agencies, fire protection districts, ambulance districts and school districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

There could be a direct fiscal impact to small businesses if there is a 4 year waiting period to resubmit a new tax that is imposed by a specific statute, there is an increased rate of an existing tax and it is rejected by the voters or a previous rejected proposal is resubmitted to the voters and it does not have a substantial change.

FISCAL DESCRIPTION

This bill specifies that if a political subdivision submits a tax proposal for a new or increased tax authorized under a specific statute and it does not pass, the proposal cannot be submitted again for four years following the rejection. A political subdivision may, however, resubmit a previously rejected tax proposal sooner than four years if the new proposal has one of the following "substantial changes":

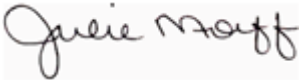
- (1) A reduction equal to or greater than 25% of the rate of tax imposed by the previously rejected proposal; or
- (2) A dedicated fund other than the dedicated fund stated in the previously rejected proposal.

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

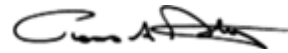
SOURCES OF INFORMATION

Kansas City
 Branson Police Department
 Department of Revenue
 Office of Administration - Budget and Planning
 Office of the Secretary of State
 State Tax Commission

City of O'Fallon
City of Springfield
Jackson County Board of Elections
Kansas City Board of Elections
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Lincoln County Assessor's Office
Greene County
Phelps County Sheriff's Office
Kansas City Police Department
St. Joseph Police Department
St. Louis County Police Department
Pettis County Ambulance District



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