

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0316S.14A
Bill No.: SS No. 2 for SCS for HB 199 with SA 1 & SA 2
Subject: Counties; County Government; Economic Development; Law Enforcement
Officers and Agencies; Political Subdivisions
Type: Original
Date: May 13, 2025

Bill Summary: This proposal modifies provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2032)
General Revenue Fund*	More or less than (\$1,411,310 to \$15,090,576)	More or less than (\$4,182,643 to \$16,140,270)	More or less than (\$4,212,296 to \$15,645,101)	More or less than (\$6,212,296 to \$17,645,101)
Total Estimated Net Effect on General Revenue	More or less than (\$1,411,310 to \$15,090,576)	More or less than (\$4,182,643 to \$16,140,270)	More or less than (\$4,212,296 to \$15,645,101)	More or less than (\$6,212,296 to \$17,645,101)

*Part of the fiscal impact to the state is the potential loss of the Department of Revenue's 2% collection fee (§105.145). Oversight has ranged the impact from \$0 (debt is already considered uncollectible and DOR would not have received the 2% fee even without this proposal) to \$3,013,881 (which represents if DOR would have collected 100% of the \$150 million of outstanding debt allowed to be reduced by this proposal). **Oversight** assumes the **actual** loss to the state for these provisions is on the very low end of this range.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2032)
Blind Pension Fund	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Missouri Regional Sports Authority Supplemental Tax Fund*	\$0	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.

*Transfers in and out net to 0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2032)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	Fully Implemented (FY 2032)
Total Estimated Net Effect on FTE	0	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 2026	FY 2027	FY 2028	Fully Implemented (FY 2032)
Local Government	Could exceed \$100,000 to \$13,779,266	Could exceed \$100,000 to \$115,661,923	Could exceed \$100,000 to \$167,302,580	Could exceed \$100,000 to \$167,302,580

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency 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.

§§8.690, 67.5050 & 67.5060 – Design-Build Contracts

In response to a similar proposal from this year (SB 10), officials from the **Office of Administration (OA), Kansas City, O’Fallon, Northwest Missouri State University** and the **University of Central Missouri** 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.

In response to similar legislation from this year (SCS for SB 10), officials from **McDonald County** and **Springfield** 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 organizations.

Oversight assumes OA and local political subdivisions would not use the Management-At-Risk or the Design Build methods of construction unless it would either save money, provide some other benefit, or be absorbed within current budget appropriations. Therefore, Oversight will assume the proposal could have a positive fiscal impact to OA and local political subdivisions from this proposal and will range the fiscal impact from \$0 to an unknown amount of savings.

§§58.030, 58.095, 58.097, 58.200, 58.208, 193.145 & 193.265 – County Coroners

In response to a similar proposal from this year (HB 1122), officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services** and the **Office of the State Auditor** 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.

In response to the previous version, officials from the **Office of the State Courts Administrator**, the **Office of the State Treasurer**, the **Phelps County Sheriff’s Office**, and the **Sheriff’s Retirement System** 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.

In response to a similar proposal from this year (HB 1122), officials from the **Office of the Secretary of State (SOS)** noted many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight does not have any information to the contrary in §58.200. Should the sheriff's position become vacant and the county coroner becomes acting sheriff until the position is filled, the salary of the coroner should be increased by the difference between the sheriff's salary and the coroner's salary. Oversight assumes this would occur on an infrequent basis and would have a minimal fiscal impact on counties. Therefore, Oversight will reflect a zero impact in the fiscal note for this section.

Oversight assumes §58.208.1 is changing the name of the Missouri Coroners' Training Fund (0846) and it will remain the same fund and have no fiscal impact. The ending balance in the fund as of December 31, 2024 was \$906,906. Subsection 1 of this section also adds additional language on how the funds will be utilized. Subsection 4 of this section allows for a professional association of the county coroners of Missouri to establish a grant program for 2nd, 3rd and 4th class counties and apply for awards of money for not more than \$500. Should this be enabled by an association, this could generate additional income for those counties. Therefore, Oversight will reflect a potential revenue of \$0 or unknown for this section of the proposal.

Oversight assumes this section restores §58.095.1 back to what is currently in statute and will therefore result in no fiscal impact to the current salary chart for coroners. Oversight also assumes this amendment restores §58.095.2 (1) on salaries authorized for training from \$2,000 to \$1,000. The \$1,000 amount that is authorized for training is currently in statute. However, this section keeps the training reimbursement for deputy coroners and assistants. Therefore, Oversight will continue to reflect the fiscal impact of \$0 to an unknown cost for this section of the amendment.

§§50.815 & 50.820 - County Financial Statements

In response to similar legislation from 2020, HB 1814, officials at **Henry County** assumed a savings of \$1,800 annually in publication costs from this proposal.

Oversight inquired with Henry County regarding this proposal. The County currently submits a 14 page document to the newspaper which lists out every dollar by vendor. Since this proposal

requires a summary of data to be published in the newspaper, Henry County's publishing costs would be reduced as the number of pages would be reduced that would be submitted to the newspaper.

In response to similar legislation from 2020, HB 1814, officials at **Lincoln County** assumed a savings of \$2,000 annually in publication costs from this proposal.

In response to similar legislation from 2020, HB 1814, officials at **Livingston County** assumed a savings of \$2,500 annually in publication costs from this proposal.

Oversight assumes using the counties above as an example, if the average savings of the three counties publication costs is \$2,100 and 96 counties (2nd, 3rd and 4th class counties) in Missouri published their financials in the newspaper, the potential savings could be up to \$201,600 (\$2,100 * 96) per year. Therefore, Oversight will reflect a potential savings in publication costs for counties to post their financials through a newspaper of general circulation in their county that could exceed \$100,000 annually from this proposal.

§64.231 - County Planning Board Hearings

Oversight assumes this proposal modifies the section requiring notices of county planning board hearings be posted on the county's website and repeals the notices to be posted at least 15 days in advance of the hearing in at least two places in each township. Oversight assumes this modification to the section will have no fiscal impact on this proposal.

§§67.399, 67.452, 82.1025, 82.1026, 82.1027, 82.1031, 140.984 – Land Banks in Certain Areas

In response to a similar proposal from this year (HCS for HB 716), officials from the **Office of State Courts Administrator (OSCA)** stated there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

In response to a similar proposal from this year (HCS for HB 716), officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

In response to a similar proposal from this year (HCS for HB 716), officials from the **Office of Administration - Budget and Planning (B&P)** stated this proposal has no direct impact on general or total state revenues. It will not impact the calculation pursuant to Article X, Section 18(e).

In response to a similar proposal from this year (HCS for HB 716), officials from the **Department of Commerce and Insurance, the Department of Natural Resources, the Department of Labor and Industrial Relations, the Office of the Secretary of State, the City of Kansas City, the City of Osceola, the Missouri Office of Prosecution Services and the State Tax Commission** 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.

§67.453 – Neighborhood Improvement Districts

In response to a similar proposal from this year (SB 613), officials from the **Department of Natural Resources, the Department of Revenue, the Missouri Department of Conservation and Kansas City** 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.

§67.547 - County Local Sales Tax

Officials from the **Department of Revenue (DOR)** note this section of statute currently allows a County to impose a county sales tax upon a vote of its citizens. The statutes state that the tax could be at a rate of one-eighth of one percent, one-fourth of one percent, three-eighths of one percent, or one-half of one percent. This proposal is adding language in Section 67.547.3 that would prohibit a county from submitting to the voters any proposal that results in a combined sales tax rate of more than 1.5%.

DOR noted that once a political subdivision adopts a sales tax, they notify the Department. DOR reviews to determine if the political subdivision has statutory authority to have a sales tax and calculates the aggregate of any they have. If approved, DOR has the new tax rate start in the second quarter after DOR receives it. If it is determined that the county did not have statutory authority or that they exceed their aggregate rate allowed, the county is notified that their sales tax is null and void.

This proposal makes a one-time exception for sales tax elections that were held on November 8, 2022 (FY 2022). This proposal would allow a county that submitted a tax proposal to the citizens that violated the aggregate sales tax rate allowed, to be approved by DOR to collect that

tax, as long as they did not exceed an aggregated 1.5% sales tax rate. This appears to be making a one-time exception to the rule for at least one county.

If a county is allowed to start their sales tax, then DOR would start it in the second quarter after the effective date of this proposal. This will not have a fiscal impact on DOR.

Oversight notes that current law limits the combined amount of sales tax levied by a county to 1%. This act increases such limit to 1.5%, and provides that any sales tax levy approved during the November 8, 2022, general election shall be deemed to be in compliance with state law if the combined amount of sales tax levied pursuant to the County Sales Tax Act is not in excess of 1.5%

Oversight will show the potential fiscal impact to locals as \$0 (not approved by voters) to an unknown positive impact (increase in tax approved by voters).

Oversight notes if a county approves a sales tax, DOR is allowed to retain 1% of collections which is deposited into general revenue. **Oversight** will show the potential fiscal impact to general revenue as \$0 (not approved by voters) to an unknown positive impact (increase in tax approved by voters).

§67.582 - Law Enforcement County Sales Tax

Officials from the **Department of Revenue (DOR)** note starting August 28, 2024, this proposal will allow any county to vote on a sales tax up to an aggregate 1% for the funding of law enforcement services. Currently, counties aggregate sales tax cannot exceed 0.5%. To implement a tax or to increase a tax they already have, a county must take the issue back to the ballot for their citizens to vote on. The Department has no way of determining which counties may seek to increase their sales tax rate in order to fund law enforcement.

The Department notes that if a county approves a sales tax, DOR will collect and distribute it. DOR is allowed to retain 1% of the amount collected. The DOR 1% collection fee is deposited into general revenue.

The revenue impact of this proposal is unknown. DOR will not have any administrative impact from this proposal from adding new political subdivisions to the database, but the impact can be absorbed with existing resources.

Oversight notes current law authorizes certain counties to levy a sales tax for the purpose of providing law enforcement services to such county, with the rate not to exceed 0.5%. This act authorizes such levy not to exceed 1%

Oversight will show the impact to locals as \$0 (not approved by voters) to an unknown positive impact (increase in tax approved by voters).

Oversight notes if a county approves a sales tax, DOR is allowed to retain 1% of collections which is deposited into general revenue. **Oversight** will show the potential fiscal impact to general revenue as \$0 (not approved by voters) to an unknown positive impact (increase in tax approved by voters).

In response to a similar proposal from this year (SB 547), from the **Office of Administration - Budget and Planning (B&P)** deferred to the county government for the fiscal impact.

DOR's retained collection fee will increase TSR because DOR will be able to collect its 1% administration fee for handling the collection of the tax. B&P defers to DOR for more specific estimates of actual collection costs.

§67.597 - Bates County Sales Tax for Operation of Hospital

Officials from the **Department of Revenue (DOR)** note the legislation states any county with more than fifteen thousand seven hundred but fewer than seventeen thousand six hundred inhabitants with a county seat with more than four thousand two hundred and ten but fewer than six thousand inhabitants can impose a sales tax for operation of hospital services. DOR believes that Bates County is the one allowed the sales tax.

DOR records show that Bates County has taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	26,791,278.79	32,257,135.02	30,899,825.25	30,899,633.61	120,847,872.67
2021	28,663,803.27	33,572,927.71	35,825,842.14	34,105,960.73	132,168,533.85
2022	29,179,421.54	35,282,545.40	34,385,716.69	34,875,363.80	133,723,047.43
2023	31,417,103.92	36,928,185.95	34,641,411.74	36,687,412.74	139,674,114.35

The Department notes this proposal allows a one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount that Bollinger County would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$148,223,288	\$1,482,233	\$14,822	\$1,467,411
2027	\$151,187,753	\$1,511,878	\$15,119	\$1,496,759
2028	\$154,211,508	\$1,542,115	\$15,421	\$1,526,694

DOR notes that this proposal would become effective on August 28, 2025, and the first election this issue could be presented to the voters would be the April 2026 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be

October 1, 2026 (FY 2027) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2027 of 8 months.

Bates County	1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$10,079	\$997,839
2028	\$15,421	\$1,526,694

*Effective Date
8/28/2025

If passed will require the Department to make changes to Revenue Premier, Rate Manager, MyTax portal, Avalara Sales and use tax rate map, and website changes. These changes are estimated at \$1,832 per system change (\$7,328).

Oversight notes the DOR requests one-time cost for website income-tax changes and updates to comply with the proposed language. Oversight will note one total cost to DOR for all sales tax updates for the entire proposal in the fiscal note.

Oversight will range the fiscal impact from \$0 (not approved by voters) up to the estimates calculated by the Department of Revenue for the fiscal impact to general revenue and local political subdivisions. Oversight notes the tax rate shall not exceed one percent; therefore, Oversight will reflect “up to” the 1% sales tax estimates.

§67.646 – Sports Complex Authorities

In response to a similar proposal from this year (SB 713), officials from the **Office of Administration - Budget and Planning (B&P)** assumed this section creates a new "Clay County Sports Complex Authority" (CCSCA) in Clay County, MO. The language used to create this bill is based on similar language in cross-referenced sections that created the "Jackson County Sports Complex Authority" in sections 64.920 to 64.950, RSMo, and falls under the authority that created the “Convention and Sports Complex Fund” (CSCF) in sections 67.638 to 67.645. It allows the General Assembly (GA) to appropriate \$3M GR into the CSCF to be utilized by the new authority, but only after Clay County has created the CCSCA and the authority has entered into a contract or lease with a professional sports team affiliated with the NFL, NBA, NHL, or AL or NL of the MLB on or after January 1, 2026. Additionally, no funds shall be expended from the CSCF until the county has matched 100% of the GR appropriation to the fund. Matching funds from the county may be from any source.

Therefore, the fiscal impact to GR is up to \$3M, and the fiscal impact to Clay County may be \$3M.

In response to a similar proposal from this year (SB 713), officials from the **Office of Administration (OA)** stated per §67.646, RSMo, the general assembly may annually appropriate up to \$3,000,000 from the state general revenue fund to the convention and sports complex fund. The fiscal impact would be \$0-\$3,000,000.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the OA. Oversight notes from §67.646.3(2) that the funds may be appropriated annually provided that the county or authority has entered into a contract or lease on or after January 1, 2026. Oversight will assume this appropriation may be in the budget starting in FY27. Therefore, Oversight will reflect a transfer out of \$0 (no appropriations) or up to \$3 million starting in FY27.

Oversight also notes that in subsection 3(4), the money would not be appropriated by the state until the county contributes into their Convention and Sports Complex Fund the sum of \$3 million per calendar year. B&P notes that the appropriation may be up to \$3 million from the state's GR and may be \$3 million from Clay County. It is possible that the state's GR appropriation could be less than the \$3 million and Clay County would still need to contribute \$3 million should the CCSCA go forward. Therefore, for fiscal note purposes, Oversight will reflect a \$0 or \$3 million dollars into County Convention and Sports Complex Fund.

Officials from the **Department of Revenue (DOR)** assume this proposal would allow Clay County to create a County Sports Complex Authority. This proposal would allow the General Assembly to appropriate general revenue up to \$3 million annually for the Clay County Sports Complex Authority. The \$3 million appropriation can continue for up to 40 years.

This has no impact on DOR as the General Assembly would make the appropriation and the State Treasurer would do the transfer of the funds.

In response to a similar proposal from this year (SB 713), officials from the **Office of the Governor** assumed this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

In response to a similar proposal from this year (SB 713), officials from the **Department of Economic Development**, the **Office of the State Treasurer, Kansas City**, the **Office of the State Auditor**, the **Missouri House of Representatives**, the **Joint Committee on Administrative Rules** and the **Missouri Senate** 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.

§67.1157 – Sports Authority – Project Acquisitions

In response to a similar proposal from this year (HB 1229), officials from the **Office of Administration – Budget & Planning (B&P)** assumed the Section 67.1157 is added that allows a convention and sports facility authority by resolution designate a project area for a project for the purpose of acquiring, constructing, equipping, operating, maintaining, repairing, extending, and improving of a regional sports facility. A regional sports facility owned or operated by an authority is intended to provide year-round sports opportunities and draw participants from outside of the state.

Project areas designated by the authority shall be eligible to receive fifty percent of the incremental increase in state general revenue sales taxes generated by activity located within the project area. A project area shall not be eligible for such new state revenues unless the authority imposes the maximum transient guest tax rate allowable by current law.

The Director of the Department of Economic Development and the Commissioner of the Office of Administration or their designees shall jointly evaluate applications for new state revenues, and such revenues shall not be distributed until certain conditions are met, as described in the proposed new section.

The total amount of new state revenues that may be appropriated pursuant to the act in any given year capped at \$10 million, with single projects being capped at \$5 million. Therefore, the fiscal impact of this program is up to \$10M GR beginning in FY 2026.

Officials from the **Department of Revenue (DOR)** assume this proposal would allow the General Assembly to appropriate up to \$10 million to regional sports authorities. No authority can receive more than \$5 million annually. In order to qualify for this funding, the regional sports authority must have imposed a transient guest tax at the maximum rate allowed per Section 67.1158. The authority must apply to DED for the funding.

This proposal says the amount the General Assembly can appropriate is to be based on the increased amount of sales tax revenue that can be collected from the authority. This proposal does not change how sales tax is deposited, so this will not fiscally impact DOR. DOR will still collect sales tax and deposit it into the required funds. The General Assembly would be responsible for any calculations under this proposal.

In response to a similar proposal from this year (HB 1229), officials from the **Department of Economic Development (DED)** assumed §67.1157.6 (3) states that at no time shall the annual amount of new state revenues approved for disbursements from the Missouri regional sports facility supplemental tax fund for approved projects exceed ten million dollars, therefore reducing TSR by up to \$10 million annually.

In response to the similar/identical proposal SB 676 -2025, officials from the **Office of Administration – Budget & Planning (B&P)** noted:

Section 67.1157 is added that allows a convention and sports facility authority by resolution designate a project area for a project for the purpose of acquiring, constructing, equipping, operating, maintaining, repairing, extending, and improving of a regional sports facility. A regional sports facility owned or operated by an authority is intended to provide year-round sports opportunities and draw participants from outside of the state.

The proposed new section receives its authority from and is cross-referenced in section 67.1150 which gives the demographic data of “in any county with a population of as least two-hundred thousand inhabitants which adjoins a county with a population of nine-hundred thousand or more inhabitants” for the county this program applies. This section went into effect in 1997 and applied exclusively to St. Charles County with the caveat that since St. Louis City does function as a “county equivalent” in many governmental programs and data reporting and collecting systems, it could be argued it applied to St. Louis City as well.

The demographic data referenced in section 67.1150 could now apply to St. Charles and Jefferson Counties whose 2020 US Census populations are 405,262 and 226,739 respectively. The St. Louis City caveat mentioned above could still apply to them since its 2020 US Census population is 301,578.

Oversight notes that §§67.1157 2 denotes that if properly designated as an eligible business project by DED and the incremental sales tax increase occur, the general assembly may appropriate up to 50% of the new revenue funds into the Missouri Regional Sports Facility Supplemental Tax Fund.

Therefore, **Oversight** will reflect range of zero (the designated sports authority did not meet the qualification criteria of the funding and general assembly did not appropriate the funds) to up to \$10 million maximum cap (the designated sports authority meets the qualification criterion of the funding and general assembly appropriated the funds) to be transferred from the general revenue fund into the Missouri Regional Sports Facility Supplemental Tax Fund from the general revenue fund.

Oversight notes the sales tax collections for St. Charles County for TY 2022 and TY 2023 below. (Source: Budgets and Reports – [2023 Annual Comprehensive Financial Report](#), p. 19).

Tax Type	2022	2023
Sales Tax	\$149,284,684	\$140,863,806

Oversight notes that this would represent a 6% year to year increase in sales tax collection.

Oversight notes that §67.1157 4. denotes that the new “revenues shall not be distributed from the Missouri regional sports facility supplemental tax fund to an authority unless the county which has established the authority has imposed a tax at the maximum rate provided by §67.1158”.

Oversight notes that any such increase must be submitted and approved by the vote of the people as promulgated in §67.1158 2.

Lastly, **Oversight** will note that §§67.1157 5. denotes the DED and OA may waive the requirement that the authority's application be submitted prior to the project's adoption or approved by resolution. Therefore, Oversight, for purpose of this fiscal note, will assume the actual approval was given upon passage of the proposal and the disbursement could potentially begin as soon as FY 2026.

In response to a similar proposal from this year (HB 1229), officials from the **Office of Administration**, the **Joint Committee on Administrative Rules**, the **Office of the Secretary of State**, and the **City of Kansas City** each assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§67.1366 – Small cities transient guest tax

In response to a similar proposal from this year (SB 510), officials from the **Office of Administration - Budget and Planning (B&P)** assumed no direct fiscal impact for this proposal. This proposal has no direct impact on general or total state revenues and will not impact the calculation pursuant to Article X, Section 18(e).

Officials from the **Department of Revenue (DOR)** assume this allows the City of Independence to expand the purpose of their existing transient guest tax to allow it to pay for the operating costs of a community center. Transient guest taxes are collected by the local political subdivision and not DOR. This will not have a fiscal impact on DOR.

Oversight notes this section allows a city with a population of more than 100,000 to adopt a transient guest tax by a vote of their citizens. The tax currently can be used for the promotion, operation and development of tourism. This proposal would expand the use of the tax to include paying for the operating costs of a community center. Therefore, Oversight will reflect no fiscal impact for this proposal.

§67.1367 - Perry & Ste. Genevieve County Transient Guest Tax

Officials from the **Department of Revenue (DOR)** note this allows Perry County and Ste. Genevieve County to adopt a transient guest tax upon a vote of their citizens. Transient guest taxes are collected by the local political subdivision and not DOR. This will not have a fiscal impact on DOR.

Oversight assumes this proposal authorizes Ste. Genevieve County and Perry County upon voter approval, to enact a transient guest tax of not more than 6% per occupied room at hotels, motels, bed and breakfast inns or campground cabins per night for tourism purposes. Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the

governing body and approval by the majority of voters. If the majority of voters approve this issue on the ballot, then there would be potential tax revenue for Ste. Genevieve County/Perry County. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact for this proposal.

§§67.1421, 67.1461 & 67.1505 – Entertainment Districts and Entertainment Tourism

In response to a similar proposal from this year (HB1524), officials from **Department of Economic Development (DED)** assumed §67.1505 creates a new program subject to appropriation that gives DED authority to expend funds for the purposes of promoting, developing, and supporting entertainment tourism within any entertainment district that applies through this program and is approved. The expenditures are limited to a portion of tax revenues derived directly or indirectly from any such promotion, development, and support of entertainment tourism as noted in an agreement with DED that is limited to 27 years in length. §67.1505.3(2)(b) states the annual amount of state appropriation shall not exceed \$2.5M per year for any fiscal year ending on or before June 30, 2031, and \$4.5M for any fiscal year thereafter.

No appropriation shall be made prior to July 1, 2026.

Officials from the **Department of Revenue (DOR)** assume §§67.1421 & 67.1461 would allow the City of St. Louis to form an entertainment district. This proposal also grants the entertainment district rule-making authority to restrict weapons in their area and to impose curfews. These sections will not impact DOR.

DOR assumes §67.1505 grants all the state Departments, including DOR, the right to expend their agency funds to promote entertainment tourism. DOR notes the duties and powers of the Department are enumerated in Section 32.028 and promoting tourism is not listed. DOR is unsure if the department could expend part of our funding for tourism.

This proposal states the amount that can be expended must be limited to the portion of tax revenue derived directly from such promotion. Since the wording of this proposal requires the expenditure come from the revenue derived from the tourism activity, DOR is unclear what revenue would be eligible for expenditure.

This proposal further states the funding by the agency cannot exceed 27 years and is limited to no more than \$2,500,000 before June 30, 2031, and then up to \$4,500,000 for each year thereafter. The appropriation of the funds by the agency cannot start until July 1, 2026 (FY 2027).

DOR notes that DOR's funding is appropriated by the general assembly from general revenue. DOR assumes any expenditure of funding for tourism would require authorization by the general assembly in the way of appropriation authority. DOR assumes an unknown impact.

In response to a similar proposal from this year (HB1524), officials from the **Office of Administration - Budget and Planning (B&P)** assumed §§67.1421 and 67.1461 will have no impacted for this proposal. B&P assume §67.1505 is created allowing any Missouri state department to expend funds for promoting, developing, and supporting entertainment tourism in entertainment districts in the City of St. Louis. Applications for such a program shall be made to and approved by the Department of Economic Development no later than August 28, 2027. Any expenditures and agreements a state department enters into with an entertainment group shall not exceed 27 years and be limited to a portion of tax revenues derived directly or indirectly from any such promotion. Appropriations for this program are capped at \$2.5M per year and can be made beginning in FY 2027 and end in FY 2031. Beginning in FY 2032, appropriations for this program are capped at \$4.5M per year. DED must present an annual fiscal report on behalf of state departments within 90 days of the end of a fiscal year to the Governor and GA detailing if the program produced a net positive impact for the state.

Therefore, the fiscal impact of the program is \$2.5M beginning in FY 27, and \$4.5M beginning in FY 32.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DED, DOR and B&P.

Oversight assumes §67.1421.2(6) defines an entertainment district specifically for St. Louis City and §67.1461.3 establishes additional powers that entertainment districts have. Oversight assumes no fiscal impact for these sections of the proposal.

Oversight assumes §67.1505.3(2) places limits of expenditures for state departments under an agreement with an entertainment district for entertainment tourism. Appropriations will not begin prior to July 1, 2026 and the term of the appropriations under the agreements shall not exceed 27 years. The appropriations can be appropriated by the general assembly to the state agencies starting in FY27 up to \$2,500,000 until June 30, 2031. Starting in FY32, the appropriations are increased to \$4,500,000 and thereafter. Therefore, Oversight will reflect these amounts in the table below.

In response to a similar proposal from this year (HB1524), officials from the **Department of Commerce and Insurance**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Missouri Department of Agriculture**, the **Department of Public Safety (Office of the Director & Missouri Highway Patrol)**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Missouri National Guard** the **Office of Administration**, the **Office of the State Auditor** and **Joint Committee on Administrative Rules** 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.

§§67.1521, 238.230 & 238.232 – Transportation Development Districts (TDD)

Oversight assumes TDD revenue for LPS could be impacted from this proposal. Oversight does not have any further information from agencies on the number of TDDs that are tax exempt in the State of Missouri in order to determine the fiscal impact. Therefore, Oversight will reflect a \$0 or negative unknown impact to LPS that would be less than the \$250,000 threshold for this proposal.

§67.2500 - Theater, Cultural Arts District

Officials from the **Department of Revenue (DOR)** state these sections modify who can create an entertainment district. This will not fiscally impact DOR.

In response to a similar proposal from 2025, (SCS for SB 104), officials from the **Office of Administration - Budget and Planning (B&P)** noted this provision is intended to allow the establishment of an entertainment district in the Lake of the Ozarks. Any county that borders on or that contains part of a lake with not less than one thousand miles of shoreline is not a demographic description that can be confirmed by B&P.

Oversight will reflect the potential income from a cultural arts district sales tax if approved by voters as \$0 to Unknown.

§68.080 - Waterways and Ports Trust Fund

In response to a similar proposal from this year (SB 125), officials from the **Missouri Department of Transportation, Office of Administration - Budget and Planning, Missouri House of Representatives** and **Missouri Senate** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight notes Section 68.080 was added by SB 138 in 2023. Oversight notes there was a balance of \$5,148,695 in the Waterways and Ports Trust Fund (0237) as of December 31, 2024.

§77.150 – Water Projects Constructed by Certain Cities

In response to a similar proposal from this year (SB 776), officials from the **Department of Natural Resources, Kansas City** and the **Wayne County PWSD #2** 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 assumes this proposal repeals the prohibition on the use of indebtedness or taxes for the construction and operation of such projects. **Oversight** assumes because the potential for increased revenues/costs to local political subdivisions (LPS) regarding this proposal is speculative that the LPS will not incur significant impact related to this proposal. If a fiscal impact were to result, the LPS may request additional funding through the appropriation process.

§79.235 - Residency Requirements of a City of the Fourth Classification

In response to a similar proposal from this year (HB 73), officials from the **Department of Commerce and Insurance**, the **Missouri Ethics Commission**, the **Office of the Secretary of State** and the **City of Kansas City** 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 notes this proposal allows the mayor of a 4th class city with less than 3,000 inhabitants to appoint a member to a local board or commission if the prospective appointee owns real property or a business in the city. Oversight assumes the proposal will not have a direct fiscal impact.

§94.838 - Village of Lamar Heights

Officials from the **Department of Revenue (DOR)** note this proposal allows the Village of Lamar Heights to change their 2% local sales tax from being allowed for construction, maintenance and operation of capital improvements to being allowed to also use it for emergency services and public safety. DOR notes the Village of Lamar Heights will continue with their 2% sales tax and therefore this will not have a fiscal impact.

Oversight notes this proposal allows the City of Lamar Heights to use their local tax collections for emergency services and public safety. Oversight notes Lamar Heights already has the authority for the tax. Oversight assumes this proposal simply updates the description of Lamar Heights and expands what the city may use the proceeds for to include emergency services and public safety. Therefore, Oversight assumes no fiscal impact from the proposal.

§94.900 - Public Safety Sales Tax

Officials from the **Department of Revenue** note the following:

City of Joplin

The legislation states any city with more than fifty-one thousand but fewer than fifty-eight thousand inhabitants and located in more than one county can impose a sales tax for public safety services. DOR believes that the City of Joplin is the one allowed the sales tax.

DOR records show that the City of Joplin has taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$333,332,340.53	\$350,430,676.71	\$379,642,023.94	\$411,620,125.33	\$1,475,025,166.51
2021	\$397,523,397.19	\$434,444,664.37	\$400,127,308.43	\$427,402,675.08	\$1,659,498,045.07
2022	\$384,224,088.04	\$430,650,070.85	\$436,430,186.68	\$447,415,995.47	\$1,698,720,341.04
2023	\$395,327,695.61	\$434,284,211.14	\$425,811,465.94	\$456,135,462.81	\$1,711,558,835.50

The Department notes this proposal allows a one-half of one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount that Joplin would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$1,816,319,929	\$9,081,600	\$90,816	\$8,990,784
2027	\$1,852,646,327	\$9,263,232	\$92,632	\$9,170,599
2028	\$1,889,699,254	\$9,448,496	\$94,485	\$9,354,011

DOR notes that this proposal would become effective on August 28, 2025, and the first election this issue could be presented to the voters would be the April 2026 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2026 (FY 2027) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2027 of 8 months.

Joplin	1/2 of 1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$61,755	\$6,113,733
2028	\$94,485	\$9,354,011

*Effective Date 8/28/2025

Cities of Hannibal & Sikeston

The legislation states any city with more than sixteen thousand but fewer than eighteen thousand inhabitants and located in more than one county can impose a sales tax for public safety services. DOR believes that the Cities of Hannibal and Sikeston are the ones allowed the sales tax.

DOR records show that the City of Hannibal has taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$69,982,368.93	\$87,152,350.18	\$85,155,681.85	\$87,018,478.50	\$329,308,879.46
2021	\$81,082,721.86	\$93,364,299.02	\$92,954,006.96	\$97,111,124.68	\$364,512,152.52

2022	\$81,170,292.21	\$100,642,087.33	\$100,479,879.44	\$102,098,456.41	\$384,390,715.39
2023	\$93,944,023.14	\$105,473,477.82	\$98,614,294.11	\$102,438,199.94	\$400,469,995.01

The Department notes this proposal allows a one-half of one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount that Hannibal would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$424,981,962	\$2,124,910	\$21,249	\$2,103,661
2027	\$433,481,602	\$2,167,408	\$21,674	\$2,145,734
2028	\$442,151,234	\$2,210,756	\$22,108	\$2,188,649

DOR notes that this proposal would become effective on August 28, 2025, and the first election this issue could be presented to the voters would be the April 2026 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2026 (FY 2027) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2027 of 8 months.

Hannibal	1/2 of 1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$14,449	\$1,430,489
2028	\$22,108	\$2,188,649
*Effective Date 8/28/2025		

DOR records show that the City of Sikeston has taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$77,014,327.29	\$87,785,994.44	\$83,655,316.11	\$84,822,741.37	\$333,278,379.21
2021	\$88,403,514.59	\$95,942,003.77	\$93,652,632.85	\$100,823,372.16	\$378,821,523.37
2022	\$90,545,427.58	\$98,830,654.31	\$97,693,783.35	\$99,809,523.86	\$386,879,389.10
2023	\$98,404,739.52	\$101,042,378.99	\$97,451,516.39	\$101,029,487.09	\$397,928,121.99

The Department notes this proposal allows a one-half of one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount that Sikeston would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
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2026	\$422,284,506	\$2,111,423	\$21,114	\$2,090,308
2027	\$430,730,197	\$2,153,651	\$21,537	\$2,132,114
2028	\$439,344,801	\$2,196,724	\$21,967	\$2,174,757

DOR notes that this proposal would become effective on August 28, 2025, and the first election this issue could be presented to the voters would be the April 2026 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2026 (FY 2027) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2027 of 8 months.

Sikeston	1/2 of 1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$14,358	\$1,421,410
2028	\$21,967	\$2,174,757
*Effective Date 8/28/2025		

City of Moberly

The legislation states any city with more than twelve thousand five hundred but fewer than fourteen thousand inhabitants and located in a county seat with more than twenty-two thousand but fewer than twenty-five thousand and with a county seat with more than nine hundred but fewer than one thousand four hundred inhabitants can impose a sales tax for public safety services. DOR believes that the City of Moberly is the one allowed the sales tax.

DOR records show that the City of Moberly has taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$55,859,356.06	\$66,129,963.24	\$63,232,963.70	\$64,320,765.28	\$249,543,048.28
2021	\$64,437,630.42	\$69,254,646.34	\$68,914,973.65	\$73,071,081.41	\$275,678,331.82
2022	\$65,016,796.49	\$72,708,115.63	\$73,181,876.80	\$76,137,546.66	\$287,044,335.58
2023	\$71,062,661.33	\$76,973,260.28	\$76,239,424.62	\$78,417,427.60	\$302,692,773.83

The Department notes this proposal allows a one-half of one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount that Moberly would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$321,219,993	\$1,606,100	\$16,061	\$1,590,039
2027	\$327,644,393	\$1,638,222	\$16,382	\$1,621,840
2028	\$334,197,281	\$1,670,986	\$16,710	\$1,654,277

DOR notes that this proposal would become effective on August 28, 2025, and the first election this issue could be presented to the voters would be the April 2026 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2026 (FY 2027) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2027 of 8 months.

Moberly	1/2 of 1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$10,921	\$1,081,226
2028	\$16,710	\$1,654,277
*Effective Date 8/28/2025		

Village of Sunrise Beach

This proposal allows a village with more than four hundred thirty but fewer than four hundred eighty inhabitants and partially located in a county with more than forty thousand but fewer than fifty thousand inhabitants and with a county seat with more than two thousand but fewer than six thousand inhabitants to adopt a sales tax for the purpose of funding public safety. DOR believes this is Sunrise Beach.

DOR records show that Sunrise Beach has taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$5,838,331	\$13,526,486	\$15,734,969	\$7,228,722	\$42,328,508
2021	\$7,048,910	\$13,555,591	\$15,540,917	\$8,049,232	\$44,194,651
2022	\$7,048,393	\$14,467,865	\$16,470,014	\$7,610,478	\$45,596,750
2023	\$7,724,185	\$16,244,642	\$20,493,780	\$9,592,952	\$54,055,558

The Department notes this proposal allows up to a one-half of one percent sales tax. For the fiscal impact they will assume the one-half of one percent sales tax is adopted. However, for informational purposes they are showing how much would be collected if they just chose full one-half percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount the Sunrise Beach would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$57,364,191	\$286,821	\$2,868	\$283,953
2027	\$58,511,475	\$292,557	\$2,926	\$289,632
2028	\$59,681,704	\$298,409	\$2,984	\$295,424

DOR notes that this proposal would become effective on August 28, 2025, and the first election this issue could be presented to the voters would be the April 2026 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2026 (FY 2027) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so they estimate an impact for FY 2027 of 8 months.

Sunrise Beach	1/2 of 1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$1,950	\$193,088
2028	\$2,984	\$295,424

*Effective Date

8/28/2025

City of Nevada

The legislation states any city with more than eight thousand but fewer than nine thousand inhabitants and that is the county seat of a county with more than nineteen thousand but fewer than twenty-two thousand inhabitants can impose a sales tax for public safety services. DOR believes that the City of Nevada is the one allowed the sales tax.

DOR records show that the City of Nevada has taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$38,208,694.67	\$44,612,841.38	\$43,665,437.02	\$42,989,997.53	\$169,476,970.60
2021	\$43,931,886.61	\$49,116,769.20	\$46,410,825.68	\$48,826,592.05	\$188,286,073.54
2022	\$43,446,517.76	\$51,704,817.34	\$51,124,401.71	\$52,879,021.88	\$199,154,758.69
2023	\$48,624,132.46	\$53,461,869.83	\$51,767,031.79	\$56,676,504.57	\$210,529,538.65

The Department notes this proposal allows a one-half of one percent sales tax. Using the taxable sales and a 2% inflation rate in the future, DOR calculated the amount that Nevada would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$223,415,631	\$1,117,078	\$11,171	\$1,105,907
2027	\$227,883,943	\$1,139,420	\$11,394	\$1,128,026
2028	\$232,441,622	\$1,162,208	\$11,622	\$1,150,586

DOR notes that this proposal would become effective on August 28, 2025, and the first election this issue could be presented to the voters would be the April 2026 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the

director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2026 (FY 2027) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so they estimate an impact for FY 2027 of 8 months.

Nevada	1/2 of 1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$7,596	\$752,017
2028	\$11,622	\$1,150,586

*Effective Date 8/28/2025

If any of these cities pass a sales tax the Department will need to make changes to our Revenue Premier system, Rate Manager system, MyTax portal system, Avalara Sales and use tax rate map, and website changes. These changes are estimated at \$1,832 per system change (\$7,328) per city that passes the sales tax.

§105.145 - Financial Reports by Political Subdivisions

Officials from the **Department of Revenue (DOR)** note currently local political subdivisions are required to file annual financial statements with the State Auditor's Office. Failure to file those statements results in the political subdivision being assessed a fine of \$500 per day per statutes, which is deposited into local school district funds. DOR notes that the Department started imposing this fine in August 2017. DOR receives notice from the State Auditor's Office if a political subdivision does not file their annual financial statement. At that time, the Department sends a notice to the political subdivision and thirty days later the fee starts to accumulate.

The Department collects the fine by offsetting any sales or use tax distributions due to the political subdivision. In essence the Department only gets to collect the fee if the political subdivision has a sales or use tax. Most of these political subdivisions do not have a sales or use tax for the Department to collect, so the Department assumes much of what is owed is uncollectable. This is not state money but local political subdivision funds.

Currently, a transportation development district that has gross revenues of less than \$5,000 in a fiscal year is not subject to this fine. This provision will be expanded to any political subdivisions that does not levy or collect tax will be exempt from the penalty.

The Department notes that per statute DOR is allowed to retain 2% of the amount collected for administration. Since the program began, DOR has collected \$137,336.65 which has been deposited into General Revenue. All DOR collection fees are deposited into General Revenue and are not retained by the Department.

In regard to the \$500 per day fine, this proposal would not allow for the assessment of the fine if a district does not have gross revenue over \$5,000 or has not levied or collected taxes.

Current records of the Department show total fines of \$211,266,524.72 as of 11/30/2024 and that \$6,862,849.98 has been collected. DOR is unable to estimate the number of political subdivisions that would qualify for this tax exemption. The Department is showing the assessment of the fines by the political subdivision type and by the county in which the district that owes the fine is located.

County	Sum of Total Fine Imposed	Sum of Total Fine Collected
Adair	\$1,948,500	\$1,500
Andrew	\$622,500	\$0
Atchison	\$1,374,000	\$0
Audrain	\$1,154,500	\$0
Barry	\$3,522,000	\$19,993
Barton	\$0	\$0
Bates	\$1,458,000	\$35,935
Benton	\$1,045,500	\$0
Bollinger	\$3,589,000	\$0
Boone	\$259,000	\$38,825
Buchanan	\$3,106,500	\$113,953
Butler	\$3,429,500	\$53,829
Caldwell	\$168,000	\$25,254
Callaway	\$1,077,500	\$4,652
Camden	\$3,761,025	\$71,588
Cape Girardeau	\$1,532,000	\$0
Carroll	\$6,309,000	\$0
Carter	\$4,206,000	\$330,094
Cass	\$8,278,000	\$17,261
Cedar	\$755,000	\$49,500
Chariton	\$1,216,500	\$41,500
Christian	\$3,890,000	\$0
Clark	\$1,238,000	\$37,500
Clay	\$2,505,500	\$80,000
Clinton	\$1,895,500	\$27,500
Cole	\$1,166,000	\$9,153
Cooper	\$2,118,500	\$17,500
Crawford	\$2,383,000	\$38,359
Dade	\$332,500	\$0

Dallas	\$1,816,000	\$0
Daviess	\$1,464,500	\$0
Dekalb	\$1,310,000	\$0
Dent	\$342,000	\$0
Douglas	\$0	\$0
Dunklin	\$2,852,000	\$35,240
Franklin	\$2,284,000	\$131,846
Gasconade	\$65,500	\$6,944
Gentry	\$2,072,000	\$0
Greene	\$1,257,500	\$23,147
Grundy	\$1,541,500	\$0
Harrison	\$1,306,500	\$0
Henry	\$1,741,000	\$77,967
Hickory	\$1,147,000	\$0
Holt	\$3,646,000	\$11,948
Howard	\$1,779,500	\$147,500
Howell	\$1,145,000	\$11,000
Iron	\$96,000	\$54,000
Jackson	\$3,879,500	\$531,928
Jasper	\$3,101,500	\$86,711
Jefferson	\$2,317,500	\$25,945
Johnson	\$1,216,500	\$12,000
Knox	\$2,221,000	\$0
Laclede	\$423,000	\$12,000
Lafayette	\$938,500	\$42,292
Lawrence	\$4,979,000	\$0
Lewis	\$3,116,000	\$0
Lincoln	\$2,197,000	\$42,500
Linn	\$2,005,000	\$15,000
Livingston	\$3,275,500	\$0
Macon	\$504,000	\$0
Madison	\$2,464,000	\$271,799
Maries	\$733,500	\$41,500
Marion	\$347,500	\$0
McDonald	\$200,000	\$14,147
Mercer	\$637,000	\$0
Miller	\$1,094,500	\$10,331
Mississippi	\$1,663,500	\$72,633

Moniteau	\$0	\$0
Monroe	\$47,000	\$10,000
Montgomery	\$865,500	\$4,204
Morgan	\$0	\$0
New Madrid	\$2,906,500	\$157,690
Newton	\$1,076,500	\$34,726
Nodaway	\$5,047,500	\$23,500
Oregon	\$137,500	\$136,500
Osage	\$1,610,500	\$19,822
Ozark	\$43,000	\$43,000
Pemiscot	\$3,752,000	\$7,059
Perry	\$2,729,500	\$0
Pettis	\$1,232,000	\$15,500
Phelps	\$966,000	\$63,761
Pike	\$202,500	\$127,500
Platte	\$1,978,500	\$300,023
Polk	\$867,500	\$43,621
Pulaski	\$2,914,500	\$17,431
Putnam	\$52,000	\$24,500
Ralls	\$255,500	\$53,598
Randolph	\$2,328,000	\$13,358
Ray	\$5,074,000	\$0
Reynolds	\$1,136,500	\$10,821
Ripley	\$224,500	\$0
Saline	\$1,889,500	\$35
Schuyler	\$453,500	\$18,500
Scotland	\$1,655,000	\$0
Scott	\$3,469,000	\$47,957
Shannon	\$287,000	\$172,986
Shelby	\$15,500	\$15,500
St. Charles	\$2,917,000	\$142,395
St. Clair	\$3,601,500	\$376
St. Francois	\$478,500	\$36,220
St. Louis	\$6,796,500	\$1,957,273
St. Louis City	\$9,565,000	\$251,298
Ste. Genevieve	\$0	\$0
Stoddard	\$2,402,500	\$154,500
Stone	\$1,485,500	\$88,500

Sullivan	\$1,198,000	\$0
Taney	\$3,484,500	\$36,500
Texas	\$1,689,500	\$42,500
Vernon	\$3,236,500	\$12,000
Warren	\$10,500	\$10,500
Washington	\$856,500	\$12,000
Wayne	\$1,454,000	\$1,661
Webster	\$733,500	\$0
Worth	\$300,500	\$0
Wright	\$0	\$0
(blank)	\$319,000	\$63,262
Grand Total	\$211,266,525	\$6,862,850

DOR assumes this proposal would result in fewer future fines being assessed. As stated previously, many of these current political subdivisions do not have any sales or use tax collected, so they may be able to avoid the current large penalties.

This proposal also allows for a one-time reduction of a political subdivisions current outstanding balance. Should a political subdivision file its reports after August 25, 2025, they will be entitled to a one-time downward adjustment of their existing fine by 90%.

The current outstanding balance is \$204,403,575 (\$211,266,525 owed - \$6,862,950 collected). This is money the Department notes is owed, but most likely uncollectable. Should it be collected, it would be forwarded to the local school district funds. If all the fine money is eligible for the one-time reduction this would result in \$183,963,218 ($\$204,403,575 \times .90$) no longer being owed.

Reducing the future fines would help save the local political subdivisions money; however, due to the un-collectability of most of this money the Department assumes no additional impact to the state.

This will require DOR to update the department's computer programs at a cost of \$1,832.

Oversight notes if all political subdivisions file their report and receive the reduction, it would be a loss of \$180,284,042 to the local school districts from not receiving the fine money, a loss to the state of \$3,679,266 in collection fees and a gain to the local political subdivisions of \$183,963,308 ($\$204,403,675 \times 90\%$).

Reducing the future fines would help save the local political subdivisions money, however; due to the un-collectability of most of this money the DOR assumes no additional impact to the state.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a potential loss of fine revenue stated by DOR to the General Revenue Fund for this proposal. Also, Oversight notes that because of the new language for certain local political subdivisions who have gross revenues of less than \$5,000 or who have not levied or collected a sales and use tax in the fiscal year or if the failure to file a financial statement is the result of fraud or illegal conduct by an employee or officer of the political subdivision and the political subdivision complies with filing the financial statement within thirty days of the discovery of the fraud or illegal conduct, then the fine shall not be assessed and could result in a savings to local political subdivisions on fine fees. Therefore, Oversight will also reflect a savings to local political subdivisions of \$0 to unknown for this proposal.

DOR states their computer programs would require updating at a cost of \$1,832. **Oversight** assumes DOR is provided with core funding to handle a certain amount of computer updating each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight also notes this proposal is allowing a political subdivision that files its financial statement before August 28, 2025 to receive a one-time 90% reduction of their outstanding balance of their fines owed.

Oversight also notes that the loss in fine revenue collected by DOR would result in a savings to the local political subdivisions who would no longer need to pay the fine revenue. It would also result in a loss of revenue to School Districts from these fines no longer being collected. Therefore, Oversight will reflect a savings to local political subdivisions on the fines no longer being collected and a loss of 98% of the fine revenue no longer going to the school districts for this proposal. Oversight notes that the DOR is allowed to retain two percent of the fine revenue collected (per §105.145.11). Oversight assumes a large majority of the \$204,403,675 of outstanding fines to be uncollectible. Therefore, Oversight will range the fiscal impact from this proposal from \$0 to DOR's estimates.

§§107.170 & 513.455 – Contracts with Public Entities

In response to a previous version, officials from the **Attorney General's Office**, the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety (Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri Highway Patrol, State Emergency Management Agency and Veterans Commission)**, the **Missouri National Guard**, the **Department of Social Services**, the **Office of the Governor**, the **Joint Committee on Administrative Rules**, the **Joint Committee on Public Employee Retirement**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the, the **Missouri**

Department of Conservation, the Missouri Ethics Commission, the Missouri House of Representatives, the Department of Transportation, the Office of Prosecution Services, the Office of Administration, Administrative Hearing Commission and Budget and Planning, the Office of the State Courts Administrator, the Office of the State Auditor, the Missouri Senate, the Office of the Secretary of State, the Office of the State Public Defender, the Legislative Oversight, the Oversight Division, Office of the State Treasurer, the State Tax Commission, Kansas City, the Hume R-VIII School District each assumed the proposal will have no fiscal impact on their respective organizations for this proposal.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

In response to a previous version, officials from the **Department of Corrections, the Missouri Department of Agriculture, the Department of Public Safety – Office of the Director** and the **Department of Mental Health** deferred to the Office of Administration for the potential fiscal impact of this proposal.

§137.115 - Motor Vehicle Assessment Valuations

In response to a similar proposal from this year (HB 816), officials from the **Office of Administration - Budget and Planning (B&P)** noted this proposal will not impact: - TSR - The calculation under Article X, Section 18(e).

In response to a similar proposal, HCS for SB 2 (2025), officials from the **State Tax Commission (STC)** noted that an appropriation up to \$200,000 will be needed for the commission to provide the vehicle price guide to assessors.

Oversight notes this proposal allows assessors to use a nationally recognized automotive trade publication such as the NADA, Kelley Blue Book, Edmunds, or other similar publication. Oversight notes this proposal requires the STC to select, secure, and make available to all assessors which publication shall be used. Oversight will note a cost to general revenue greater than or less than the \$200,000 estimated by the STC to secure the publication data, as the actual cost may vary based upon contract negotiations and the publication selected.

In response to a similar proposal from this year (HB 816), officials from the **City of Kansas City** assumed this legislation will have a negative fiscal impact of an indeterminate amount.

In response to a similar proposal from this year (HB 816), officials from the **City of O’Fallon** noted the last certified totals for Class IV vehicles for O’Fallon was \$16,616,935.20. The Finance Director took the assessed value % 100 x .4400 (which is the city’s most recent property tax rate) x 5%. This was multiplied by 5% as the city is estimating the average difference in cost between a vehicle in good condition and a vehicle’s actual condition. The Finance Director believes 5% might be reasonable.

Using this calculation, the potential loss in property taxes might be \$73,115.

In response to a similar proposal from this year (HB 816), officials from the **Jefferson County Assessor** note this bill will save county government budgets from having to purchase data from J.D. Power and Associates, which have increased their cost significantly since 2022. Jefferson County was quoted by J.D. Power and Associates \$60,700 for personal property vehicle valuation data. This is a 13% increase from 2024, and a 25% increase from the cost incurred in 2023 for the same data. Similar data from Price Digest has been quoted to Jefferson County at \$13,040 for 2025. This is a \$47,660 decrease from the J.D. Power quote. For Third-Class Counties, the savings from having another vendor provide the data would assist with the hiring of staff necessary to meet their statutory obligations.

In response to a similar proposal from this year (HB 816), officials from the **Washington County Assessor** assumed using the trade in value would really cost small counties because that's a huge difference. For Example:

2015 Jeep Grand Cherokee
MSRP - \$31,5959
Finance - \$12,047
Retail - \$16,063
Wholesale - \$13,332

In response to a similar proposal from this year (HB 816), officials from the **Callaway County SB 40 Board** assumed this legislation will have a fiscal impact of an indeterminate amount.

In response to a similar proposal from this year (HB 816), officials from the **Rolling Hills Consolidated Library** assumed while this change may impact the amount of revenue received as a public library taxing district, it is impossible to determine the dollar value or estimate what this change might be. It is acceptable to the library to standardize the publication used to determine motor vehicle values, and that motor vehicle values should not increase in subsequent years if proper assessment was made.

In response to a similar proposal from this year (HB 816), officials from the **County Employees' Retirement Fund (CERF)** have reviewed HB 816 (1469H.02I). CERF's review of HB 816 would indicate that it may result in reductions in contribution revenue to CERF of an unknown amount annually. A certain portion of the moneys that are used to fund the County Employees' Retirement Fund are tied to the collection of property taxes. Data is not available to quantify how changes to motor vehicle assessments would impact contribution revenue but CERF assumes there may be a negative impact.

In response to a similar proposal from this year (HB 816), officials from the **Green Forest R-II School District** noted any law that threatens to lessen the assessed valuation of the district real or personal property will have a negative impact on revenues received. The district assessed

valuation is \$26,405,350. Of that total, nearly 30% is personal property, \$7,728,630. It is impossible to know the impact that the new statute would have on individual vehicles and overall value in the district. At least impossible for the district to know.

However, based on the district's levy of \$2.75 a \$50,000 reduction to the personal property assessed valuation would result in a loss of \$1,375 to the district. Obviously, it would only increase from there.

In response to a similar proposal from this year (HB 816), officials from the **Department of Social Services, Newton County Health Department, Phelps County Sherriff, Kansas City Police Dept., Springfield Police Department, Branson Police Dept, Office of the State Auditor, Mid-Continent Public Library**, and the **St. Louis County Police Dept** 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 notes this proposal allows assessors to use a nationally recognized automotive trade publication such as the NADA, Kelley Blue Book, Edmunds, or other similar publication.

Oversight assumes if every county experienced a savings from being able to use an alternative to automotive trade publication similar to the one referenced by the Jefferson County Assessor, the savings is estimated at \$5,480,900 ($\$47,660 \times 115$). Oversight will reflect an unknown savings for county assessors beginning in FY 2026.

Oversight notes this proposal states the assessor cannot assess a motor vehicle for an amount greater than the motor vehicle was assessed the previous year.

Oversight notes, in recent years, prices for used vehicles have increased due to low inventory from supply chain disruptions. Therefore, Oversight assumes this proposal could impact the Blind Pension Fund and local political subdivisions.

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 ($((\text{Total Assessed Value}/100) \times .03)$).

Oversight assumes this proposal limits the assessed value portion of this equation; therefore, the Blind Pension Fund may experience a decrease in revenue relative to what it would have received under current law.

Oversight notes per the State Tax Commission [website](#), the total assessed value for vehicles in 2023 was \$20,892,140,604, therefore Oversight estimates about \$6,267,642 ($((\$20,892,140,604/100) \times 0.03)$) in property tax revenue was collected from motor vehicles for the Blind Pension Fund.

Oversight notes to reach a revenue impact of \$250,000 in the Blind Pension Fund would require a change in assessed value of approximately \$833,000,000 which is approximately a 4% change in the assessed value of motor vehicles. Therefore, Oversight assumes it is possible this proposal could impact the Blind Pension Fund by an amount that could exceed the \$250,000 threshold.

Oversight notes property tax revenues are designed to be revenue neutral from year to year. The tax rate is adjusted relative to the assessed value to produce roughly the same revenue from the prior year with an allowance for growth. Therefore, this proposal may result in a higher tax rate relative to current law thus distributing more of the tax burden to real property owners (as personal property assessed values decrease).

Oversight notes some taxing entities have tax rate ceilings that are at their statutory or voter approved maximum and some are at a fixed rate. For these taxing entities, any decrease in the assessed values would not be offset by a higher tax rate (relative to current law), rather it would result in an actual loss of revenue.

Oversight assumes this proposal limits the assessed value of personal property over time. Therefore, Oversight will show an unknown loss in property tax revenue to local political subdivisions beginning in FY 2027.

§137.1050 - Emergency Services Sales Tax

Oversight notes under current law, if in any tax year after the eligible taxpayer's initial credit year the taxpayer's real property tax liability is lower than such liability in the initial credit year, such tax year shall be considered the taxpayer's new initial credit year for all subsequent tax years.

This provision clarifies that the taxpayer's initial credit year for the calculation of the Homestead property tax credit shall not change if the taxpayer's property tax liability is less than his/her tax liability in the initial credit year due to a levy adjustment made pursuant to 321.905.

Additionally, **Oversight** notes that current law authorizes ambulance and fire protection districts in certain counties to propose a sales tax at a rate of up to 0.5%. This act allows such districts to propose a sales tax of up to 1.0% and repeals a prohibition on certain counties imposing such tax. (Section 321.552)

Oversight assumes this proposal adds clarifying language for implementation measures for the property tax credit established in SB 190 (2023).

Oversight notes this credit is optional and a county must submit the proposal to voters or pass a county ordinance in order to participate.

§144.757- Local Use Taxes

In response to a similar proposal from this year (SB 382), officials from the **Office of Administration - Budget and Planning (B&P)** noted the bill defines the terms “county or municipality” to include the governing body of any taxing jurisdiction authorized to impose a sales tax for emergency services. This proposal:

- Has no direct impact on B&P.
- Has no direct impact on general or total state revenues.
- Will not impact the calculation pursuant to Art. X, Sec. 18(e).

Officials from the **Department of Revenue (DOR)** note currently, in statute, cities, counties and several other designated districts are allowed to collect a sale or use tax if adopted by their voters. This proposal intends to allow any jurisdiction authorized to collect a sales tax for emergency service districts to also put before the voters the question of whether to collect a use tax for those districts.

In response to a similar proposal from this year (SB 382), DOR records note there are only 8 emergency districts in the state allowed to collect sales tax currently. However, DOR’s interpretation of “emergency services” districts includes ambulance districts (69 districts), fire protection districts (21 districts), and hospital districts (1 district).

It is unclear how many of these districts would want to collect a use tax and to get their citizens to support a use tax. Should any of these districts succeed in adopting a use tax then DOR will collect that money in its normal course of business. It should be noted that DOR is allowed to retain 1% of all sales or use tax money remitted to reimburse the department’s collection costs.

This proposal could result in an unknown revenue to districts that adopt the use tax and therefore, DOR would also benefit by an unknown amount.

In response to a similar proposal from this year (SB 382), from the **City of Kansas City** assumed the proposal will have no fiscal impact on their organization.

Oversight will show the potential fiscal impact to locals as \$0 (not approved by voters) to an unknown positive impact (local use tax approved by voters).

Oversight notes if a county approves the proposed use tax, DOR is allowed to retain 1% of collections which is deposited into general revenue. Oversight will show the potential fiscal impact to general revenue as \$0 (not approved by voters) to an unknown positive impact (local use tax approved by voters).

§162.014 – School Board Member Restrictions

Oversight assumes this section of the proposal disallows any person who has been convicted of assault on school grounds to be a candidate and/or ineligible to serve as a school board officer. Oversight assumes this section will have no fiscal impact on state or local government.

§§221.400, 221.402, 221.405, 221.407, & 221.410 - Regional Jail Districts

Officials from the **Department of Revenue (DOR)** note currently counties can join together to create a Regional Jail District. The Regional Jail District is allowed to take to the voters a sales tax for the purpose of funding the jail district. Statutes already allow other counties to join any existing jail district. This proposal adds language clarifying that any additional county wanting to join an existing jail district must have the sales tax approved by their voters before joining.

This portion of the proposal adds that the jail district may use their sales tax to “equip” and “maintain” their jail facilities. This language is just clarifying language and will not have a fiscal impact.

Currently the sales tax allowed for a jail district could be either 1/8th, 1/4th, 3/8th or ½ of one percent. This proposal adds language saying the tax can be “up to 1%”. This is just clean-up (simplifying) language and not expected to have any additional impact.

The Department notes that the Daviess/DeKalb Regional Jail District is the only one formed under Section 221.400. It currently assesses a 1/2% sales tax. For FY 24, they collected \$1,511,075. DOR is unaware if any of the surrounding counties are wishing to join this district. DOR assumes that once a new county would pass the sales tax and adopt the required ordinance, they would notify DOR and the department would get the new county set up. This would require DOR update the department’s distribution program estimated to cost \$1,832 at the time DOR is notified.

Oversight assumes this proposal changes the sales tax percentage to up to 1%. Since the current Daviess/DeKalb Regional Jail District collects ½% in sales tax revenue, it is possible that the county commission could add the question to increase the sales tax rate to the April 2026 ballot.

Oversight is also unaware of any surrounding counties who may want to join the current district. However, should a surrounding county get voter approval and approve an ordinance to join the district, additional revenues could be generated for the Regional Jail District.

Oversight notes the current expiration date of September 30, 2028 is being removed from this proposal. Oversight assumes should the proposal pass, the current collection of sales tax for the Regional Jail District will continue into FY29 and beyond.

Oversight also assumes if an additional sales tax is passed by the voters, it would be effective October of 2026, assuming it is on the ballot April of 2026. Therefore, Oversight will reflect a \$0 (no additional increase to sales tax approved by voters) or estimated revenues received (if approved by the voters) by the Regional Jail District to be unknown that could exceed the current DOR amount, as well as, a 1% administration fee collected by DOR.

§233.425 – Special Road Districts

Oversight assumes this section of the proposal allows the vote of the people to dissolve special road districts in Bates County. Should this pass the vote of the people, the responsibilities and outstanding obligations of the district shall be transferred to the county. Oversight will reflect a \$0 (this does not pass the vote of the people) or Unknown to (Unknown) impact to local political subdivisions.

§238.060 – Kansas City Area Transportation Authority (KCATA)

In response to a similar proposal from this year (HB 858), officials from **Kansas City** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight assumes this proposal clarifies if there is a commissioner vacancy on the KCATA and will have no direct fiscal impact.

§311.084 - Entertainment Districts

Oversight notes in §311.084 an applicant granted a lakefront entertainment district special license under this section shall pay a license fee of three hundred dollars annually. **Oversight** assumes the fiscal impact of this proposal would ultimately be immaterial; therefore, Oversight will not reflect an impact in the fiscal note.

§§321.552, 321.554, & 321.556 – Taxes for Emergency Services

In response to similar legislation from this year, HCS for HB 1268, officials from **Office of Administration - Budget and Planning (B&P)** assumed these sections remove demographic language from the bill that excludes specific counties in the state from imposing ambulance and fire protection district sales taxes to support emergency services. DOR's retained collection fee will increase TSR because DOR will be able to collect its 1% administration fee for handling the collection of the tax. B&P defers to DOR for more specific estimates of actual collection costs.

Officials from the **Department of Revenue (DOR)** assume this proposal would allow any governing body of an ambulance or fire protection district to impose a sales tax in an amount up to one percent on all retail sales made in such district. Previously the cap was at one-half of one percent.

This proposal would not allow the districts in Clay, Greene, Jackson, Jefferson, St. Charles County, and St. Louis City to increase their rates. In order to increase their sales tax, the district would be required to hold an election and notify the Department of the increase. The first available election would be April 2026, so the tax would not be collected until October 2026 (FY 2027) and remitted starting November 2026.

DOR notes that DOR is able to retain 1% of all sales tax collected as reimbursement of DOR's collection costs. The amount retained is deposited into general revenue.

DOR notes that some districts already have a sales tax that varies from 0.375% to 0.5%. DOR is unable to predict how many ambulance and fire districts that don't have this sales tax will adopt one. This will not have a fiscal impact on the Department to administer unless a political subdivision adopts the sales tax rate. At that time, it would cost \$7,327 to update our computer system per political subdivision rate change.

This proposal also requires that if a district passes a sales tax, they must adjust their levy to account for this additional funding. Additionally, this proposal establishes procedures that allow citizens to repeal this sales tax in the future. These provisions will not impact DOR.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DOR for the potential increase in revenue from the 1% administration fee and the cost for computer updates to DOR's system for each political subdivision. Oversight notes in order for the updates to DOR's computer system to reach the \$250,000 threshold, 34 (\$250,000/\$7,327) political subdivisions would need to adopt a new sales tax rate. Those costs would also be offset by the 1% administration fee. Oversight does not have enough information at this time to determine the amount of revenue that would be generated from these political subdivisions if a new sales tax on emergency services is adopted. Therefore, until more information is available, Oversight will assume the unknown impact to GR will not meet the \$250,000 threshold.

Oversight is unclear how many additional governing bodies of these counties would impose a sales tax. Therefore, Oversight will reflect a \$0 (no sales tax adopted) or unknown revenue to these LPS for this proposal.

In response to similar legislation from this year, HCS for HB 1268, officials from the **Kansas City Election Board** stated that depending on when the election is held, costs could range up to \$800,000. The state would pay their pro-rata share based on registered voters.

Oversight assumes the timing for an election to adopt a sales tax for emergency services would take place during a regular election cycle (April or November). Therefore, Oversight will assume no direct fiscal impact from this proposal.

§483.083 – Compensation of circuit clerks

In response to a similar proposal from this year (SB 530), officials from the **Office of the State Courts Administrator (OSCA)** provided the following information:

- 1) In counties of the first classification each circuit clerk shall annually receive compensation in the amount of \$94,130;

- 2) In counties of the second or fourth classification each circuit clerk shall annually receive compensation in the amount of \$90,573;
- 3) In counties of the third classification each circuit clerk shall annually receive compensation in the amount of \$85,565.

The fiscal impact for circuit clerks would be a cost of \$1,453,572 annually to the General Revenue Fund.

Oversight notes the provisions of §483.083.3 are removed. In this provision, each person who was ordered by the judge to make child support payments through the clerk's office in Marion County was to be charged \$10 annually on/before February 1st with the fee to be paid to the state. Oversight has no way to determine the potential loss of this fee, but assumes it is less than \$250,000 annually. Therefore, for fiscal note purposes, Oversight will present the costs provided by OSCA, adjusted 2% annually and show an (Unknown) loss for the fees that were to be collected from persons making child support payments through the clerk's office.

§550.320 – Costs in criminal cases

In response to a similar proposal from this year (SB 143), officials from the **Department of Corrections** stated the department shall establish, by rule, the process for submission of county reimbursement claims. The requirement to promulgate rules could delay receipt in claims to county submissions while the rule promulgation is underway.

Senate Amendment 1

Oversight assumes Senate Amendment 1 is clean up language and will have no fiscal impact on state or local government.

Senate Amendment 2

Oversight assumes Senate Amendment 1 is clean up language and will have no fiscal impact on state or local government.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2032)
GENERAL REVENUE FUND				
				Could exceed...
Revenues - §§221.400, 221.402, 221.405, 221.407 & 221.410 - DOR - 1% administration fee on sales tax collection - p. (35)	\$0	\$0 or Unknown, could exceed \$10,074	\$0 or Unknown, could exceed \$15,111	\$0 or Unknown, could exceed \$15,111

<u>Potential Revenue Gain -</u> §67.597 - Bates County - DOR 1% Collection Fee if approved by voters p. 9	\$0	\$0 or up to \$10,079	\$0 or up to \$15,421	\$0 or up to \$15,421
<u>Potential Revenue Gain -</u> §67.547 & §67.582 - DOR 1% Collection Fee, if approved by voters p.7	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain -</u> §94.900 - City of Joplin - DOR 1% Collection Fee, if approved by voters – p. 19-24	\$0	\$0 or \$61,755	\$0 or \$94,485	\$0 or \$94,485
<u>Potential Revenue Gain -</u> §94.900 - City of Hannibal - DOR 1% Collection Fee, if approved by voters - p. 19 - 24	\$0	\$0 or \$14,449	\$0 or \$22,108	\$0 or \$22,108
<u>Potential Revenue Gain -</u> §94.900 - City of Sikeston - DOR 1% Collection Fee, if approved by voters - p. 19 - 24	\$0	\$0 or \$14,358	\$0 or \$21,967	\$0 or \$21,967
<u>Potential Revenue Gain -</u> §94.900 - City of Moberly - DOR 1% Collection Fee, if approved by voters - p. 19 - 24	\$0	\$0 or \$10,921	\$0 or \$16,710	\$0 or \$16,710
<u>Potential Revenue Gain -</u> §94.900 - DOR 1% Collection Fee - Sunrise Beach, if approved by voters p. 19 - 24	\$0	\$0 or up to \$1,950	\$0 or up to \$2,984	\$0 or up to \$2,984
<u>Potential Revenue Gain -</u> §94.900 - DOR 1% Collection Fee - Nevada, if approved by voters p. 19 - 24	\$0	\$0 or up to \$7,596	\$0 or up to \$11,622	\$0 or up to \$11,622

<u>Potential Revenue Gain - §321.552 - DOR - potential collection of 1% administration fee on the adoption of a sales tax for emergency services, if approved by voters p.37</u>	\$0	\$0 or \$911,191	\$0 or \$1,366,787	\$0 or \$1,366,787
<u>Potential Revenue Gain - §144.757 to §144.761 - DOR 1% Collection Fee p.34</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Savings – on Construction Management practices §§8.690, 67.5050 & 67.5060 p.4</u>	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Total Revenue & Savings</u>	\$0 to Unknown	\$0 to Could exceed \$1,042,373	\$0 to Could exceed \$1,567,195	\$0 to Could exceed \$1,567,195
<u>Cost - §137.115 - STC - Software/programming and additional FTE costs p.29</u>	More or less than (\$200,000)	More or less than (\$200,000)	More or less than (\$200,000)	More or less than (\$200,000)
<u>Costs – OSCA – potential increase in nuisance action caseloads seeking relief (§§67.399, 67.452, 82.1025, 82.1026, 82.1027 & 82.1031) p.6</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs - §67.1505 – to various state agencies who enter into an agreement with entertainment districts to promote entertainment tourism p.15</u>	\$0	(Up to \$2,500,000)	(Up to \$2,500,000)	(Up to \$4,500,000)
<u>Costs – OSCA (§483.083) – increase in compensation to circuit clerks p. 38</u>	(\$1,211,310)	(\$1,482,643)	(\$1,512,296)	(\$1,512,296)

<u>Loss (potential revenue loss)- §105.145 -DOR - 2% of collection fee on future potential fines no longer assessed because LPS no longer required to file due to changes in the bill - p.(24)</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Loss (potential revenue loss)- §105.145 - DOR – 2% collection fee that may have been collected if not for the one-time decrease of 90% of the outstanding balance from the local political subdivision if they submit a timely financial statement by 1/01/23 - p. (28)</u>	\$0 or up to (\$3,679,266)	\$0	\$0	\$0
<u>Loss – potential revenue loss to TDD from property tax exemptions under 26 U.S.C. §501(c) §§67.1521, 238.230 & 238.232 p. 16</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss – OSCA (§483.083.3) – reduction in fees collected by clerk p. 38</u>	(Unknown)	(Unknown)	(Unknown)	(Unknown)
<u>Transfer Out – OA – creates a sports complex for Clay County §67.646 p.10</u>	\$0	\$0 or (up to \$3,000,000)	\$0 or (up to \$3,000,000)	\$0 or (up to \$3,000,000)
<u>Transfer Out - §67.1157 2. – 50% increase in a new sales tax revenue funds if approved by DED and OA p.11</u>	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)
<u>Total Cost/Loss/Transfer Out</u>	(\$1,411,310) to (Could exceed \$15,090,576)	(\$4,182,643) to (Could exceed \$17,182,643)	(\$4,212,296) to (Could exceed \$17,012,296)	(\$6,212,296) to (Could exceed \$19,212,296)

ESTIMATED NET EFFECT ON GENERAL REVENUE	More or less than (\$1,411,310 to <u>\$15,090,576</u>)	More or less than (\$4,182,643 to <u>\$16,140,270</u>)	More or less than (\$4,212,296 to <u>\$15,645,101</u>)	More or less than (\$6,212,296 to <u>\$17,645,101</u>)
BLIND PENSION FUND				
<u>Revenue Loss - §137.115 - Limit on assessed value of vehicles to value from previous year p. 30</u>	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON BLIND PENSION FUND	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
MISSOURI REGIONAL SPORTS AUTHORITY SUPPLEMENTAL TAX FUND				
<u>Transfer in – §67.1157 2. – 50% increase in a new sales tax revenue funds if approved by DED and OA p.11</u>	<u>\$0 up to \$10,000,000</u>	<u>\$0 up to \$10,000,000</u>	<u>\$0 up to \$10,000,000</u>	<u>\$0 up to \$10,000,000</u>
<u>Transfer Out – §67.1157 3. money into the “segregated funds of the Authority” p.11</u>	<u>\$0 up to (\$10,000,000)</u>	<u>\$0 up to (\$10,000,000)</u>	<u>\$0 up to (\$10,000,000)</u>	<u>\$0 up to (\$10,000,000)</u>
ESTIMATED NET EFFECT ON THE MISSOURI REGIONAL SPORTS AUTHORITY SUPPLEMENTAL TAX FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2032)
LOCAL POLITICAL SUBDIVISIONS				
				Could Exceed...
<u>Potential Revenue Gain - §67.597 - Bates County - Sales Tax for Operation of Hospital if approved by voters - p. 9</u>	\$0	\$0 or up to \$997,839	\$0 or up to \$1,526,694	\$0 or up to \$1,526,694
<u>Potential Revenue - §§221.400, 221.402, 221.405, 221.407 & 221.410 - Regional Jail District(s) - additional sales taxes received if approved by voters – p. 35</u>	\$0	\$0 or Unknown, could exceed \$1,007,383	\$0 or Unknown, could exceed \$1,511,075	\$0 or Unknown, could exceed \$1,511,075
<u>Potential Revenue Gain - §144.757 to §144.761 - Local Use Tax p. 34</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain - §67.547 - County Sales Tax Rate Limit Increase, if approved by voters p.7</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain - §67.582 - Law Enforcement County Sales Tax Rate Limit Increase, if approved by voters p.9</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain - §94.900 - City of Joplin - Public Safety Sales Tax if approved by voters - p. 19 - 24</u>	\$0	\$0 or \$6,113,733	\$0 or \$9,354,011	\$0 or \$9,354,011

<u>Potential Revenue Gain</u> - §94.900 - City of Hannibal - Public Safety Sales Tax if approved by voters - p. 19 - 24	\$0	\$0 or \$1,430,489	\$0 or \$2,188,649	\$0 or \$2,188,649
<u>Potential Revenue Gain</u> - §94.900 - City of Sikeston - Public Safety Sales Tax if approved by voters - p. 19 - 24	\$0	\$0 or \$1,421,410	\$0 or \$2,174,757	\$0 or \$2,174,757
<u>Potential Revenue Gain</u> - §94.900 - City of Moberly - Public Safety Sales Tax if approved by voters - p. 19 - 24	\$0	\$0 or \$1,081,226	\$0 or \$1,654,277	\$0 or \$1,654,277
<u>Potential Revenue Gain</u> - §94.900 - DOR 1% Collection Fee - Sunrise Beach, if approved by voters - p. 19 - 24	\$0	\$0 or up to \$193,088	\$0 or up to \$295,424	\$0 or up to \$295,424
<u>Potential Revenue Gain</u> - §94.900 - DOR 1% Collection Fee - Nevada, if approved by voters - p. 19 - 24	\$0	\$0 or up to \$752,017	\$0 or up to \$1,150,586	\$0 or up to \$1,150,586
<u>Potential Revenue</u> - §321.552 - Revenue on new sales taxes adopted for emergency services if approved by voters p. 37	\$0	\$0 or \$89,564,738	\$0 or \$134,347,107	\$0 or \$134,347,107

<u>Potential Revenue Gain</u> - §67.2500 - Camden County - Potential income from cultural arts district sales tax if approved by voters - p.(17)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Savings</u> - §105.145 - on potential fines for certain LPS - p. (24)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Potential Savings</u> - §105.145 - on fine revenue that is reduced with a one-time reduction of 90% on the outstanding balance due if they submit a timely financial statement by 8/28/25 - p. (28)	\$0 or up to \$183,963,308	\$0	\$0	\$0
<u>Savings</u> – on Construction Management practices §§8.690, 67.5050 & 67.5060 p.4	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Savings</u> - §137.115 - County Assessors - Changes to selection process for trade-in value publications p. 30	Unknown	Unknown	Unknown	Unknown
<u>Savings</u> – in publication costs on financials posted in a newspaper of general circulation (§§50.815 & 50.820) p. 3	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000

<u>Transfer In</u> - §67.1157 3. 50% increase in a new sales tax revenue funds deposited into the “segregated funds of Authority” p.11	\$0 up to \$10,000,000	\$0 up to \$10,000,000	\$0 up to \$10,000,000	\$0 up to \$10,000,000
<u>Transfer In</u> – to the County Convention and Sports Complex Fund - from OA-General Revenue §67.646 p.10	\$0	\$0 or up to \$3,000,000	\$0 or up to \$3,000,000	\$0 or up to \$3,000,000
<u>Transfer In</u> – to the County Convention and Sports Complex Fund - from County Funds, matching funds for sports complex §67.646 p.10	\$0	\$0 or up to \$3,000,000	\$0 or up to \$3,000,000	\$0 or up to \$3,000,000
<u>Total</u> - Revenue, Savings & Transfer Ins	Could exceed \$100,000 to \$194,063,308	Could exceed \$100,000 to \$118,661,923	Could exceed \$100,000 to \$170,302,580	Could exceed \$100,000 to \$170,302,580
<u>Costs</u> -§137.115 - Limit on assessed value of vehicles to value from previous year p. 30	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Potential Cost</u> – Special Road Districts obligations transferred to county §233.425 p. 37	\$0	\$0 to (Unknown) to Unknown	\$0 to (Unknown) to Unknown	\$0 to (Unknown) to Unknown
<u>Potential Loss</u> - §105.145 - School districts receiving less fine revenue (from savings above) - p. (24)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Potential Loss</u> - §105.145 - School Districts - reduction in fine revenue from one-time adjustment of fine revenue - p. (28)	\$0 or up to (\$180,284,042)	\$0	\$0	\$0

<u>Transfer-Out – From Clay County to the County Convention and Sports Complex Fund</u> §67.646 p.10	\$0	\$0 or (\$3,000,000)	\$0 or (\$3,000,000)	\$0 or (\$3,000,000)
<u>Total Cost/Loss/Transfer Out</u>	\$0 or up to (\$180,284,042)	(Could exceed \$3,000,000)	(Could exceed \$3,000,000)	(Could exceed \$3,000,000)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Could exceed \$100,000 to \$13,779,266	Could exceed \$100,000 to \$115,661,923	Could exceed \$100,000 to \$167,302,580	Could exceed \$100,000 to \$167,302,580
COUNTY CORONERS' FUNDS				
<u>Revenue – possible award money from grant programs from associations (§58.095.4)</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost – compensation for deputies and assistants for training annually (§58.095.2)</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON COUNTY CORONERS' FUNDS	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL IMPACT – Small Business

There could be a direct fiscal impact to small businesses who utilize either of these construction management practices on projects as a result of this proposal.

Small businesses who are in a lawsuit regarding nuisance actions for deteriorated property could be impacted by this proposal.

Small businesses in a county that increases the local sales tax rate will be impacted. (Pending voter approval).

Small businesses in a taxing jurisdiction that adopts the local use tax will be impacted. (Pending voter approval).

If the voters approve the levy and collection of taxes on real property and/or sales tax, small businesses could be impacted from this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to political subdivisions.

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

Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
Department of Social Services
Office of the Governor
Joint Committee on Public Employee Retirement
Joint Committee on Administrative Rules
Missouri Lottery Commission
Legislative Research
Oversight Division
Local Government Employees Retirement System
Missouri Consolidated Health Care Plan
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri House of Representatives
Office of the Lieutenant Governor
Missouri Department of Transportation
Missouri State Employee's Retirement System
MoDOT & Patrol Employees' Retirement System
Missouri Office of Prosecution Services

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Office of Administration

Facilities Management, Design and Construction

Office of the State Courts Administrator

Office of the State Auditor

Missouri Senate

Office of the Secretary of State

Office of the State Public Defender

Office of the State Treasurer

Public Schools and Education Employee Retirement Systems

State Tax Commission

Kansas City

Hume R-VIII School District



Julie Morff

Director

May 13, 2025



Jessica Harris

Assistant Director

May 13, 2025