

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0316S.14T
Bill No.: Truly Agreed To and Finally Passed SS No. 2 for SCS for HB 199
Subject: Counties; County Government; Economic Development; Law Enforcement
Officers and Agencies; Political Subdivisions
Type: Original
Date: June 25, 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 (\$1,211,310 to \$14,890,576)	More or less than (\$3,982,643 to \$15,940,270)	More or less than (\$4,012,296 to \$15,445,101)	More or less than (\$6,012,296 to \$17,445,101)
Total Estimated Net Effect on General Revenue	More or less than (\$1,211,310 to \$14,890,576)	More or less than (\$3,982,643 to \$15,940,270)	More or less than (\$4,012,296 to \$15,445,101)	More or less than (\$6,012,296 to \$17,445,101)

*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

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

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.

§§58.095 & 58.208 – County Coroners

§58.095

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.

§58.208

Officials from the **Office of Administration - Budget and Planning (B&P)** assume section 58.208 updates the name of DHSS's Missouri state coroners' training fund to the Missouri coroners' fund and further stipulates that the fund be used by a profession association of the county coroners of Missouri rather than the Missouri Coroners' and Medical Examiners' Association. The language further stipulates that the money from the Missouri coroners' fund must be used for in-state training, equipment, and necessary supplies, aid training programs approved by such professional association, to reimburse the coroners' offices for training session attendance expenses, and any money remaining be used for equipment, maintenance, and discharge of death investigation responsibilities. Any remaining money in the fund shall not revert to the general revenue fund. This language won't impact the general fund revenue or total state revenue; it simply stipulates how money within the Missouri coroners' fund is spent.

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.

§§50.815 & 50.820 - County Financial Statements

Officials from the **Office of Administration - Budget and Planning (B&P)** assume these provisions modify the requirements associated with the publishing of political subdivision financial statements. B&P defers to the county governments for the fiscal impact of these provisions.

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.

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

Officials from the **Office of State Courts Administrator (OSCA)** state 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.

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.

§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).

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to the local and county governments for the fiscal impact of the various sales taxes imposed by this request. 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.

\$67.582 - Law Enforcement County Sales Tax

Officials from the **Department of Revenue (DOR)** note starting August 28, 2025, 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).

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to the local and county governments for the fiscal impact of the various sales taxes imposed by this request. 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.

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to the local and county governments for the fiscal impact of the various sales taxes imposed by this request. 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.

§67.646 – Sports Complex Authorities

In response to a similar proposal from this year (SB 710), officials from the **Office of Administration - Budget and Planning (B&P)** assume 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 710), 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.

Officials from the **Office of the Governor** assume 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.

§67.1157 – Sports Authority – Project Acquisitions

Officials from the **Office of Administration – Budget & Planning (B&P)** assume this section authorizes St. Charles County to establish the St. Charles County Convention and Sports Facilities Authority for the purpose of construction of sports facilities. Designation of the funds for the identified project area can be distributed to the authority from the Department of Economic Development Regional Sports Facility Supplemental Tax Fund. The fiscal impact to GR is up to \$10M.

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.

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.

§67.1366 – Small cities transient guest tax

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.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume section 67.1367.1(1)(b) and (c) of the proposal allows the Ste. Genevieve County to impose a transient guest tax of no more than 6.0%. Budget and Planning defers to the Ste. Genevieve County on the transient guest tax for specific estimates of actual collection costs.

This section also allows the Perry County to impose a transient guest tax of no more than 6.0%. Budget and Planning defers to the Perry County on the transient guest tax for specific estimates of actual collection costs.

(B&P) assume section 67.1367.1(2), 2, and 3 adds bed and breakfast inns and campground cabins to the sleeping rooms for which transient guest taxes can be charged and section 67.1367.4 adds bed and breakfast inns and campground cabins to already imposed transient guest taxes without a new ballot measure.

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).

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 (HB 1524), 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 their 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.

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to Department of Economic Development v-Division of Business and Community Solutions on the impact of the entertainment tourism district provision

In response to a similar proposal from this year (HB 1524), 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.

§§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 & 311.084 - 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.

Oversight notes section 67.2500 of the proposal allows a theater, cultural arts and entertainment district to be established in the counties of Camden, Morgan and Miller. Oversight notes these counties, as well as the cities of Osage Beach, Lake Ozark and the Lake Ozark Police Department, are not currently registered users of the Missouri Legislative Information System (MOLIS). Oversight assumes this proposal would have no direct fiscal impact without action from the governing body of the counties to put forth to the voters of the district. Therefore, Oversight will reflect a \$0 fiscal impact for this proposal.

Oversight notes section 311.084 grants a lakefront entertainment district special license that allows the sale of intoxicating liquor by the drink for retail consumption dispensed from one or more portable bars within the common areas of the entertainment district.

Oversight assumes this provision would impact qualifying businesses in an entertainment district within the City of Lake Ozark.

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 will reflect a \$0 or unknown revenue.

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

Officials from the **Office of Administration - Budget and Planning (B&P)** assumes this section of the proposal allows fourth class cities to appoint nonresidents to nonelected boards and commissions regardless of whether the position is considered an officer of the city. The mayor of fourth-class cities with fewer than 3,000 inhabitants may appoint a nonresident meeting conditions in subsection 79.235.2.

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	
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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
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 their 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.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section of the proposal allows the following political subdivisions to establish a 0.5% sales tax for the purpose of public safety.

(n) – The Village of Sunrise Beach

(o) – The Cities of Hannibal and Sikeston

(p) – The City of Moberly

(q) – The City of Joplin

(r) – The City of Nevada

B&P defers to the local governments 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 and to DOR for more specific estimates of actual collection costs.

§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.

This proposal also adds language that would no longer allow the fine to be assessed against a political subdivision with less than 500 inhabitants. Additionally, if those political subdivision have an outstanding fine, the fine is to be deemed void.

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 ($\$204,403,575 * .90$) 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 ($\$204,403,675 * 90\%$).

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.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section of the proposal excludes the fine for failure to submit annual financial statements for certain political subdivisions, and renders void any fine or fines previously assessed but not paid in full. Timely filing is mandated for political subdivisions subject to this subdivision. This may result in a revenue loss for both the state and schools. It also provides grace from fines if the failure to timely submit the annual financial statement is the result of fraud or other illegal conduct and allows a refund by DOR of any fines already paid under these circumstances. The 90% downward adjustment DOR is allowed to make on outstanding fine or penalty balances after August 28, 2025, results in the amount of collections being reduced for both the state and DOR collection fees. A similar downward adjustment may be made by DOR if the outstanding fines are deemed uncollectable. These downward adjustments will likewise result in a revenue loss for both the state and schools. Based on information from DOR, the department started imposing this fine in August 2017. B&P defers to DOR for more specific estimates of fines and actual collection costs.

§137.115 - Motor Vehicle Assessment Valuations

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.

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

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section of the proposal sets an exemption for taxpayer's whose real property tax liability is lower than it was in the initial credit year due to a reduction in the property tax levy pursuant to Section 321.554.

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

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section of the proposal specifies that the term “county or municipality” shall include the governing body of any taxing jurisdiction authorized to impose sales taxes for emergency services. The provision could increase TSR if such taxing jurisdictions receive voter approval and enact the use tax. DOR will be able to retain their 2% cost of collection fee.

Officials from the **Department of Revenue (DOR)** states 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 certain jurisdictions authorized to collect a sales tax for emergency services to also put before the voters the question of whether to collect a use tax for those the same purpose.

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). 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.

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).

§§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 1/2 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 1/2% 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.

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to the counties within the regional jail districts 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 sales taxes.

§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.

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

Officials from **Office of Administration - Budget and Planning (B&P)** assume 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 Currently there are districts that have a sales tax that varies from 0.375% to 0.5%. Using information on the amount of sales tax they collect from these districts, DOR calculated how much additional revenue would be raised by the districts if all raised their sales tax to the maximum 1% allowed by this proposal. DOR notes that if DOR is able to retain 1% of all sales tax collected as reimbursement of their collection costs out of this revenue. DOR's 1% collection fee is deposited into general revenue.

If all eligible political subdivisions increased their fee to the 1% it would result in an additional \$134,347,107 in sales tax revenue. Additionally, general revenue would retain an additional \$1,366,787.

This will not have a fiscal impact on the Department to administer unless a political subdivision increases their sales tax rate. At that time, it would cost \$1,832 to update DOR computer system per political subdivision rate change.

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

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

Officials from the **Department of Corrections (DOC)** state 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.

DOC defers to the Office of Administration for the potential fiscal impact of this proposal.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section of the proposal makes administrative changes to county reimbursement language and moves the provisions from Section 221.105 to Chapter 550.

Bill as a whole:

Officials from the **Office of Administration - Administrative Hearing Commission**, 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 Mental Health**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety (Alcohol and Tobacco, Capitol Police, Fire Safety, Directors Office, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission, State Emergency Management Agency)**, the **Department of Social Services**, the **Office of the Governor**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri Department of Transportation**, the **Missouri National Guard**, the **Office of Administration**, the **University of Missouri**, the **Office of the Lieutenant Governor**, the **Office of the State Auditor**, the **Missouri House of Representatives**, the **Legislative Research**, the **Oversight Division**, the **Missouri Senate**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **Missouri State Employees Retirement System**, the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028	Fully Implemented (FY 2032)
GENERAL REVENUE FUND				
				Could exceed...
<u>Revenue</u> - §§221.400, 221.402, 221.405, 221.407 & 221.410 - DOR - 1% administration fee on sales tax collection - p. 32	\$0	\$0 or Unknown, could exceed \$10,074	\$0 or Unknown, could exceed \$15,111	\$0 or Unknown, could exceed \$15,111
<u>Revenue</u> – potential income from transient guest tax upon voter approval §67.1367 p.12	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.597 - Bates County - DOR 1% Collection Fee if approved by voters p. 8	\$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.6	\$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. 16	\$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. 16	\$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. 16	\$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. 16	\$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. 16	\$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. 16	\$0	\$0 or up to \$7,596	\$0 or up to \$11,622	\$0 or up to \$11,622
<u>Potential Revenue Gain -</u> §321.552 - DOR - potential collection of 1% administration fee on the adoption of a sales tax for emergency services, if approved by voters p.33	\$0	\$0 or \$911,191	\$0 or \$1,366,787	\$0 or \$1,366,787
<u>Potential Revenue Gain -</u> §144.757 to §144.761 - DOR 1% Collection Fee p.30	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Savings – on Construction Management practices</u> §§8.690, 67.5050 & 67.5060 p.4	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>
<u>Total Revenue & Savings</u>	\$0 to <u>Unknown</u>	\$0 to Could exceed <u>\$1,042,373</u>	\$0 to Could exceed <u>\$1,567,195</u>	\$0 to Could exceed <u>\$1,567,195</u>

<u>Costs</u> – OSCA – potential increase in nuisance action caseloads seeking relief (§§67.399, 67.452, 82.1025, 82.1026, 82.1027 & 82.1031) p.5	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> - §67.1505 – to various state agencies who enter into an agreement with entertainment districts to promote entertainment tourism p.13	\$0	(Up to \$2,500,000)	(Up to \$2,500,000)	(Up to \$4,500,000)
<u>Costs</u> – OSCA (§483.083) – increase in compensation to circuit clerks p. 34	(\$1,211,310)	(\$1,482,643)	(\$1,512,296)	(\$1,512,296)
<u>Loss (potential revenue loss)-</u> §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. 22	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Loss (potential revenue loss)-</u> §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. 22	\$0 or up to (\$3,679,266)	\$0	\$0	\$0
<u>Loss</u> – potential revenue loss to TDD from property tax exemptions under 26 U.S.C. §501(c) §§67.1521, 238.230 & 238.232 p. 14	\$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. 34</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Transfer Out – OA – creates a sports complex for Clay County §67.646 p.9</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.10</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>	(\$1,211,310) to (Could exceed \$14,890,576)	(\$3,982,643) to (Could exceed \$16,982,643)	(\$4,012,296) to (Could exceed \$16,812,296)	(\$6,012,296) to (Could exceed \$19,012,296)
ESTIMATED NET EFFECT ON GENERAL REVENUE	More or less than (\$1,211,310 to \$14,890,576)	More or less than (\$3,982,643 to \$15,940,270)	More or less than (\$4,012,296 to \$15,445,101)	More or less than (\$6,012,296 to \$17,445,101)
BLIND PENSION FUND				
<u>Revenue Loss - §137.115 - Limit on assessed value of vehicles to value from previous year p. 27</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON BLIND PENSION FUND	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
MISSOURI REGIONAL SPORTS AUTHORITY SUPPLEMENTAL TAX FUND				

<u>Transfer in</u> – §67.1157 2. – 50% increase in a new sales tax revenue funds if approved by DED and OA p.10	\$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 Out</u> – §67.1157 3. money into the “segregated funds of the Authority” p.10	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)	\$0 up to (\$10,000,000)
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>Revenue</u> – potential revenues from issuing alcohol licenses within an Entertainment District §311.084 p. 15	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.597 - Bates County - Sales Tax for Operation of Hospital if approved by voters - p. 8	\$0	\$0 or up to \$997,839	\$0 or up to \$1,526,694	\$0 or up to \$1,526,694
<u>Potential Revenue</u> - §§221.400, 221.402, 221.405, 221.407 & 221.410 - Regional Jail District(s) - additional	\$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

sales taxes received if approved by voters – p. 32				
<u>Potential Revenue Gain</u> - §144.757 to §144.761 - Local Use Tax p. 31	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.547 - County Sales Tax Rate Limit Increase, if approved by voters p.6	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.582 - Law Enforcement County Sales Tax Rate Limit Increase, if approved by voters p.9	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §94.900 - City of Joplin - Public Safety Sales Tax if approved by voters - p. 16	\$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. 16	\$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. 16	\$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. 16	\$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. 16	\$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. 16	\$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. 33	\$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.15	\$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.22	\$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. 22	\$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. 27	Unknown	Unknown	Unknown	Unknown
<u>Savings</u> – in publication costs on financials posted				

in a newspaper of general circulation (§§50.815 & 50.820) p. 5	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.10	\$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.9	\$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.9	\$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. 27	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Potential Cost</u> – Special Road Districts obligations transferred to county §233.425 p. 33	\$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. 22	\$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. 22	\$0 or up to (\$180,284,042)	\$0	\$0	\$0
<u>Transfer-Out</u> – From Clay County to the County Convention and Sports Complex Fund§67.646 p.9	\$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</u> – possible award money from grant programs from associations (§58.208.4) p.4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – compensation for deputies and assistants for training annually (§58.095.2) p.4	\$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 bill creates and modifies numerous provisions relating to political subdivisions.

CONSTRUCTION PROJECTS IN POLITICAL SUBDIVISIONS (Sections 8.690, 67.5050, and 67.5060) This bill repeals the September 1, 2026, expiration dates of the authority for political subdivisions to use the construction manager-at-risk and design-build methods for certain construction projects.

COUNTY FINANCIAL STATEMENTS (Sections 50.815, 50.820, and 105.145) Currently, counties of the first classification without a charter form of government are required to prepare and publish in a qualified paper a financial statement for the previous year by the first Monday in March. This bill requires all non-charter counties to prepare and publish in a qualified newspaper a financial statement for the previous year by June 30th. The financial statement also must include the name, office, and current gross annual salary of each elected or appointed county official.

The county clerk or other officer responsible for the preparation of the financial statement must preserve the documents relied upon in the making of the financial statements and provide an electronic copy free of charge to any newspaper requesting a copy of the data. Newspapers publishing the statement are prohibited from charging any more than the standard rate for advertising to publish these financial statements. The county commission will pay the publisher upon the filing of proof of publication and after verification, the state auditor must notify the commission when proof has been received.

The bill repeals the provision that any county treasurer paying or entering for protest any warrant for any commissioner of the county commission prior to the receipt of such notice from the State Auditor will be liable on his official bond. Currently, any political subdivision that fails to file the required annual financial statement with the State Auditor is subject to a fine. This bill exempts any political subdivision that has gross revenues of less than \$5,000, or that has not levied or collected sales or use taxes, from that fine. It also exempts a political subdivision from the fine if the failure to submit the statement is a result of fraud or other illegal conduct by an

officer or employee of the political subdivision if the financial statement is filed within 30 days of the discovery of the fraud or illegal conduct. If a political subdivision has outstanding fines due when filing its first annual financial statement after August 28, 2025, the Director of the Department of Revenue will make a one-time downward adjustment of the total amount due by no less than 90%. In addition, the Director has the authority to make a one-time downward adjustment to any fine he or she deems uncollectable.

CORONERS (Sections 58.030, 58.095, 58.097, 58.200, 58.208, 193.145, and 193.265) This bill requires a candidate for the office of coroner to provide evidence of completion of a certification to do death investigations when filing a declaration of candidacy. Currently, \$1,000 of a coroner's salary is payable only upon completion of 20 hours of classroom instruction per calendar year.

This bill applies this salary condition not only to coroners but also to deputy coroners and assistants.

The bill repeals a provision of law allowing the coroner in any county not having a charter form of government to, upon approval of the county commission, receive additional compensation in any month during which more than three investigations are performed. Criteria for the required 20 hours of classroom instruction are provided in the bill. Currently, if the office of sheriff becomes vacant, the county coroner fills the role until a new sheriff takes office. This bill allows the coroner to receive the same compensation authorized for the county sheriff, rather than the county coroner salary, during the time he or she is acting as the county sheriff. Currently, a \$1 fee is collected for every death certificate issued in the State and credited to a fund to be used by the Missouri Coroners' and Medical Examiners' Association for trainings, equipment, and supplies. Any amount remaining in the fund over \$500,000 reverts to the credit of the General Revenue Fund. This bill allows these funds to be used to reimburse coroners' offices for expenses incurred for training attendance. At least \$150,000 must be designated annually for the above-stated purposes. A professional association of the county coroners of Missouri can establish a grant program with money remaining in the fund that can be used to assist coroners' offices, in an amount up to \$5,000 annually per office, with costs associated with investigative tools and equipment; construction, maintenance, or repair of office or forensic laboratory space; and the discharge of death investigation responsibilities. No money remaining in this fund will revert to the credit of the General Revenue Fund.

COUNTY PLANNING BOARD HEARING NOTICES (Section 64.231) This bill requires that notices of county planning board hearings be posted on the county's website and repeals the requirement that the notices be posted at least 15 days in advance of the hearing in at least two places in each township.

NUISANCE ACTIONS (Sections 67.399, 67.452, 82.1025, 82.1026, 82.1027, and 82.1031) This bill creates new provisions relating to nuisance actions in St. Louis County and in any municipality within St. Louis County. Any property owner who owns property within 1,200 feet of a parcel of property alleged to be a nuisance, as defined in the bill, is authorized to bring a

nuisance action against the owner of the offending property for the amount of damage created by the nuisance to the value of the petitioner's property.

Actions for injunctive relief to abate a nuisance can be brought by a neighborhood organization, as defined in the bill, or the owner of property within 1,200 feet of the alleged nuisance. An action cannot be brought until 60 days after notice of intent to bring an action is mailed to the tenant, if any, and the property owner of record at their last known address on file. The notice will state the nuisance and that legal action can be taken if it is not eliminated within 60 days. If the notice is returned, refused, undeliverable, or signed by a person other than the addressee, a copy must be posted on the property. A sworn affidavit by the person who mailed or posted the notice containing the date and manner the notice was given will be sufficient evidence to establish notice was given. The content of the notice is provided in the bill. An action for injunctive relief to abate a nuisance will be heard by the court without a jury and will not require proof that the party bringing the action has sustained damage because of the nuisance. When a property owner or neighborhood organization bringing the action prevails, they can be entitled to an award for attorneys' fees and expenses, as ordered by the court, which will be entered as a judgment against the owner of the nuisance property. If a property owner sued under this process proves that a condition alleged by the plaintiff to be a nuisance is the subject of an order issued by the Missouri Department of Natural Resources, the United States Environmental Protection Agency, or the Missouri Attorney General, and proves that the property is in compliance with that order, the proof will be an affirmative defense to the plaintiff's claim.

Currently, statute prescribes certain procedures for nuisance actions in St. Louis City and Kansas City. This bill adds any home rule city with a population between 160,000 and 200,000 inhabitants and any home rule city with a population between 71,000 and 79,000 inhabitants to the list of cities these provisions apply to. Upon enactment, this will add Springfield and St. Joseph to these provisions. The bill allows certain actions for injunctive relief to abate a nuisance to be heard by a court without a jury. Currently, property owners or neighborhood organizations that prevail in actions brought against owners of commercial or industrial properties can be awarded reasonable attorneys' fees and expenses, as ordered by a court.

This bill allows attorneys' fees to be awarded in actions brought against owners of residential properties. If a property owner sued under this process proves that a condition alleged by the plaintiff to be a nuisance is the subject of an order issued by the Missouri Department of Natural Resources, the United States Environmental Protection Agency, or the Missouri Attorney General, and proves that the property is in compliance with that order, the proof will be an affirmative defense to the plaintiff's claim.

NEIGHBORHOOD IMPROVEMENT DISTRICTS (Section 67.453) Current law allows neighborhood improvement districts to undertake certain improvements, including improving dikes, levees and other flood control works, gates, lift stations, bridges and streets. This bill provides that such projects can also include river and creek bank erosion mitigation projects, regardless of whether such projects confer a benefit solely to private property owners.

LOCAL SALES AND USE TAX (Sections 67.547, 67.582, 67.597, 67.1366, 67.1367, 94.838, 94.900, 137.1050, 144.757, 321.552, 321.554, and 321.556) This bill authorizes Ozark County to submit a sales tax to provide law enforcement services. The total combined sales tax rate adopted pursuant to this section cannot exceed 1.5%. Currently, any county except for Jackson and St. Louis Counties is authorized to impose a 0.5% sales tax for law enforcement services. This bill increases that authorization to 1%. This bill authorizes Bates County to impose, upon voter approval, a county sales tax of up to 1% for the purpose of supporting the operation of hospital services within the county.

The bill provides that all moneys collected will be deposited into the "County Hospital Operations Sales Tax Fund". Currently, the City of Independence is authorized to impose a tax on the charges for rooms paid by guests of hotels, motels, bed and breakfasts, and campgrounds of between 5% and 7% per occupied room, per night. The proceeds from this tax can be used to fund the promotion, operation, and development of tourism. This bill adds the costs of operating a community center to the authorized uses of this tax. The bill adds the counties of Perry and Ste. Genevieve to the list of counties authorized to impose a transient guest tax at a rate not to exceed six percent for the purpose of the promotion of tourism and includes in that tax, charges for rooms in bed and breakfast inns and campgrounds. Any county that imposed this tax before August 28, 2025, may extend the tax to charges from rooms in bed and breakfast inns and campgrounds without requiring a second vote to authorize such charges.. This bill authorizes the City of Lamar Heights to impose, upon voter approval, a sales tax of up to 2% on the gross receipts derived from the retail sales of food by every person operating a food establishment for the current purposes of funding the construction, maintenance, and operation of capital improvements. This provision adds emergency services and public safety to the allowable purposes for which the tax revenue can be used. This bill authorizes the cities of Sunrise Beach, Hannibal, Moberly, Joplin, and Nevada to impose, upon voter approval, a sales tax of up to .05% for the purpose of improving the public safety of the city, limited to expenditures on equipment, salaries and benefits, and facilities for police, fire, and emergency medical providers.

Currently, counties and municipalities are authorized to impose a local use tax if a local sales tax is imposed. This bill permits any political subdivision with the authority to impose a sales tax for emergency services to do so as well. Currently, upon voter approval, ambulance districts and fire protection districts are authorized to impose a sales tax of up to 0.5% in every county except for St. Louis, St. Charles, Clay, Platte, and Greene. An ambulance district or fire protection district imposing a sales tax authorized by this section must reduce any property tax levy imposed by the district or political subdivision for the purposes of providing ambulance and fire protection services such that the revenue generated by the property tax levy is offset in an amount equal to 50% of the amount of revenue generated by the sales tax imposed pursuant to this bill. Current law authorizes counties to provide a credit for the property tax liabilities of certain seniors. This bill provides that the calculation of such credit shall not include any reduction in emergency services property tax levies. This bill increases the authorization for the sales tax up to 1%, and repeals statutory language prohibiting ambulance districts and fire protection districts in St. Louis, St. Charles, Clay, Platte, and Greene counties from submitting this tax authorization to voters.

COUNTY SPORTS COMPLEX AUTHORITY (Section 67.646) This bill authorizes Clay County to establish a county sports complex authority for the purpose of developing, maintaining, or operating sports, convention, exhibition, or trade facilities. The authority will be led by a commission, whose membership and terms of service are provided in the bill. The authority will have the same powers as other county sports complex authorities, as provided by current law. The county is authorized to establish a "Convention and Sports Complex Fund". This Fund will be separate from the general funds of the county.

The General Assembly can annually appropriate up to \$3 million into the Fund, provided that the county or the authority has entered into a contract or lease with a professional sports team on or after January 1, 2026. To receive appropriations of State money pursuant to the bill, the county must enact ordinances or rules for the purchase of goods and services and for construction of capital improvements for facilities administered by the authority, and commence paying into the Fund an amount sufficient for the county to contribute at least \$3 million per calendar year. Appropriations of State money will not exceed the amount contributed by the county into the Fund. The county must submit an annual report to the General Assembly about the condition of the Fund, as specified in the bill.

REGIONAL SPORTS FACILITY (Section 67.1157) Current law authorizes St. Charles County to establish the St. Charles County Convention and Sports Facilities Authority for the purpose of constructing, operating and maintaining convention, visitor, and sports facilities. This bill authorizes the authority to designate a "project", defined as an area for the acquisition, planning, construction, equipping, operation, maintenance, repair, extension, and improvement of a regional sports facility intended to provide yearround sports opportunities. Project areas designated by the authority will be eligible to receive up to 50% of the estimated incremental increase in state general revenue sales taxes generated by activity located within the project area, subject to appropriation, for a period not to exceed 20 years from the date of completion. A project area will not be eligible for the new state revenues unless the authority imposes the maximum transient guest tax rate allowable by current law.

The Department of Economic Development and the Commissioner of the Office of Administration will jointly evaluate applications for new state revenues, and the revenues will not be distributed until certain conditions are met, as provided in the bill. Information that must be included on the application is specified in the bill. The bill specifies that the total amount of new state revenues that may be appropriated in any given year cannot exceed \$10 million, and no single project can receive an annual appropriation of more than \$5 million.

ENTERTAINMENT DISTRICTS (Sections 67.1421, 67.1461, and 67.1505) This bill exempts a proposed entertainment district in the downtown area of St. Louis City from a statutory requirement to file a petition signed by more than 50% of all owners of real property within the proposed district's boundaries in order to be created. The bill allows entertainment districts to hire and train peace officers certified by the POST commission to enforce laws within the

entertainment district. No entertainment district may impose any tax that community improvement districts are authorized to impose by state law.

This bill provides that “state departments”, as defined in the bill, may fund entertainment tourism, as defined in the bill, in any entertainment district if application is made to and approved by the Department of Economic Development (DED) by August 28, 2027. Any annual expenditure by a state department must be limited to a portion of the tax revenues derived directly or indirectly from any promotion, development, and support of entertainment tourism supported by that annual expenditure within the entertainment district. This annual expenditure is subject to the agreement between the entertainment district and the state department.

The term of appropriations under such agreement cannot exceed 27 years. The annual appropriation is limited to 2.5 million before June 31, 2031 and 4.5 million after June 30, 2031. The bill provides that the Director of the DED must make an annual written report on behalf of DED to the Governor and General Assembly within 90 days of the end of the fiscal year. This report must detail the fiscal impact for the State in the prior fiscal year and project the overall net fiscal impact of the annual expenditures to the State over the term of the agreement between the state department and the entertainment district.

SPECIAL TAX ASSESSMENT EXEMPTION (Sections 67.1521, 238.230, and 238.232) This bill provides that all property owned by an entity that is exempt from taxation is exempt from any special assessment levied by a district with taxing authority so long as the property is used in the furtherance of the entity’s tax-exempt purposes.

THEATER, CULTURAL ARTS, AND ENTERTAINMENT DISTRICTS (Section 67.2500) Current law authorizes certain counties to establish a theater, cultural arts, and entertainment district. This bill adds counties that border the Lake of the Ozarks to the list of counties authorized to establish such districts.

WATERWAYS AND PORTS TRUST FUND (Section 68.080) This bill specifies that funds in the Waterways and Ports Trust Fund may only be withdrawn at the request of a Missouri Port Authority for statutorily permitted port purposes and adds the City of St. Louis to the locations in which a capital improvement project may be sited in order to receive an appropriation from the Waterways and Ports Trust Fund.

WATER PROJECTS CONSTRUCTED BY THIRD CLASS CITIES (Section 77.150) Currently, third class cities are authorized to acquire any real and personal property for the purpose of the construction of dams, lake and flood protection systems, bathhouses, therapeutic bathhouses, mineral water vending houses, and for the laying of pipelines for the distribution of mineral waters, provided that the properties are acquired, constructed, and maintained and operated without increasing the indebtedness of the city and are not paid for, maintained, or operated by taxes. This bill repeals the prohibition on the use of indebtedness or taxes for the construction and operation of such projects.

NONELECTED BOARDS AND COMMISSIONS OF CERTAIN FOURTH CLASS CITIES (Section 79.235) This bill authorizes the mayor of any city of the fourth classification with fewer than 3,000 inhabitants to, if authorized, appoint a member of a nonelected board or commission, and if members of the board or commission are required to be residents of the city, the residency requirement is satisfied if the person appointed owns real property or a business in the city. This bill authorizes the mayor of any city of the fourth classification with fewer than 3,000 inhabitants to, if authorized to appoint a member of a nonelected board that manages a municipal utility, and if members of the board are required to be residents of the city, the residency requirement is satisfied if the: (1) Board cannot set utility rates or issue bonds; (2) Appointee resides within five miles of the city limits; (3) Appointee owns real property or a business in the city; (4) Appointee is a customer of the utility managed by the board; and (5) Appointee has no pecuniary interest in any utility. The provisions of this bill do not apply to any city within St. Louis County.

CONTRACTS WITH PUBLIC ENTITIES (Sections 107.170 and 513.455) This bill adds the definition of a "public official" as it relates to public works contracts and modifies the definition of "public entity". Current law requires public entities, when contracting for certain public works, to require the contractor to furnish a bond. This bill clarifies that the requirement only applies to property exempt from attachment and execution. Currently, courthouses, jails, clerks' offices, and other buildings and the lots on which they stand owned by a county or municipality, as well as all burial grounds, are exempt from attachment and execution. This bill expands the exemption to other lands owned by the State; any public body corporate and politic; any county, city, town, municipality; any road, water, sewer, fire, library, hospital, or school district; and any other political subdivision of this State. The bill allows the State or any entity specified above to consent to have certain projects and the lands thereon, that are, or are intended to be, leased primarily to a private entity for nongovernmental use to become subject to the attachment of mechanics' liens filed under Chapter 429, RSMo if the consent is in writing, contains a legal description of the property subject to the attachment, and is acknowledged by an authorized official in a form that can be and is recorded in the office of the recorder of deeds for the county where the property is located. If such consent has been executed, no bond is required for the contracted work, from either the contractor or the public entity's lessee. Currently, a school board member is not required to independently confirm that a bond company exists and is solvent if a contractor represents that it is, but the school board member is not exempt from liability if he or she has actual knowledge of the insolvency or does not in good faith comply with the law in requiring the contractor to have a sufficient lawful bond. The bill expands both the lack of duty to verify the status of the bond company and the lack of exemption from liability for actual knowledge regarding a bond company from a school board member to all public officials.

ASSESSMENT OF MOTOR VEHICLES (Section 137.115) Currently, the assessor of each county must use the October issue of the National Automobile Dealers' Association Official Used Car Guide (NADA) to determine the true value of motor vehicles. This bill allows the State Tax Commission (STC) to choose a nationally recognized automotive trade publication such as the NADA, Kelley Blue Book, Edmunds, or another similar publication. The assessor of each county will then use the trade-in value published in the current October issue of the publication selected by the STC. For any vehicle with a true value of less than \$50,000 as of January 1,

2025, the assessor may not assess the motor vehicle for an amount greater than the vehicle was assessed in the previous year. This provision is effective January 1, 2026. PURCHASES OF

PROPERTY BY LAND BANKS (Section 140.984) Currently, for purchases of real property not made through a foreclosure sale or other certain circumstances, a land bank agency can only purchase real property if that property is adjacent to real property already owned by such agency. This bill repeals that restriction.

SCHOOL BOARD CANDIDATE QUALIFICATIONS (Section 162.014) This bill prohibits any person convicted of certain crimes from being a candidate for a member or director of a school board in any school district.

REGIONAL JAIL DISTRICTS (Sections 221.400, 221.402, 221.405, 221.407, and 221.410) Currently, if any county wishes to join a district that has already been established, the agreement must be rewritten and reapproved by each member county. This bill adds the requirement that a county wanting to join an existing regional jail district that already levies a sales tax to first obtain approval from its voters to levy that sales tax and provide a rewritten agreement. The bill adds equipping and maintaining jail facilities and leasing jail properties to the powers authorized to a jail district. Currently, commissioners of regional jail districts must serve until their successors have been duly appointed. This bill specifies that commissioners must serve until their successors in their county offices have assumed office. The bill increases the maximum authorized sales tax used to fund a regional jail district to up to 1% of retail sales made in the region and repeals the 12-month required interval between votes for voting on the jail district levy and joining the jail district. This bill expands the expenditures from the tax levy of the regional jail district to include any of the district's authorized purposes. Currently the provisions regarding regional jail districts expire on September 30, 2028; the bill repeals this expiration date. This bill allows regional jail districts to buy, lease, or sell personal property for authorized purposes. Regional jail districts are authorized to contract with governmental entities, including departments and their instrumentalities, and private entities to house prisoner.

SPECIAL ROAD DISTRICT (Section 233.425) This bill requires any special road district located in Bates County to submit to the voters no later than the November 2026 general election a question of whether to dissolve such district. If the voters approve such dissolution, the responsibilities and outstanding obligations of the district shall be transferred to the county.

KANSAS CITY AREA TRANSPORTATION AUTHORITY (Section 238.060) This bill clarifies that if there is a vacancy on the Kansas City Area Transportation Authority for a commissioner who was appointed from Platte County or Clay County, the mayor of Kansas City must appoint a successor from the panel, with the approval of a majority of the members of the Kansas City Council, submitted by the county commission of the county wherein the vacancy occurred.

ENTERTAINMENT DISTRICTS (Section 311.084) This bill authorizes alcohol license holders located in entertainment districts established in any county that borders the Lake of the Ozarks to

apply to the supervisor of alcohol and tobacco control for an entertainment district special license. Licensed establishments may sell intoxicating liquor by the drink for consumption within the entertainment district during certain hours as provided in the bill. Patrons of licensed establishments may leave the establishment with a beverage and bring it into other areas of the entertainment district. Establishments must pay an annual license fee of \$300. Establishments must mark beverage containers in a way that is unique to that licensee. A holder of an entertainment district special license will be solely responsible for alcohol violations occurring at its establishment and in any common areas.

CIRCUIT CLERK COMPENSATION (Section 483.083) This bill amends the base salary structure for circuit clerks by increasing the base salaries, depending on classification of county, starting September 1, 2025. The bill requires an initial appropriation to fully fund the increase before the increase will go into effect. Currently, the judge in Marion County can order child support payments to be paid through the circuit clerk. This bill repeals this provision.

COUNTY DAILY REIMBURSEMENT FOR JAIL SERVICES (Section 550.320) This bill provides that when a person is sentenced to a term of imprisonment in a correctional center, the Department of Corrections must reimburse the county for the days the person spent in custody at a per diem cost not to exceed \$37.50 per day. The sheriff or, in the case of St. Louis City, the chief executive officer, must certify the total number of days the offender spent in the jail. The sheriff or executive officer will then submit the total number of days to the Department, which will determine whether the expenses are eligible for reimbursement and remit any payment due back to the county. A claim must be submitted no later than two years from when the claim became eligible for reimbursement

This bill contains an emergency clause for section 137.115.

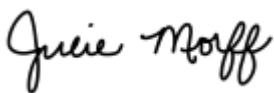
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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
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
June 25, 2025



Jessica Harris
Assistant Director
June 25, 2025