

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1324H.02I
Bill No.: HB 532
Subject: Taxation and Revenue - General; Cities, Towns, and Villages; Hospitals; Motels and Hotels; Food; Emergencies; Political Subdivisions; Counties; County Officials; County Government
Type: Original
Date: March 25, 2025

Bill Summary: This proposal modifies provisions relating to certain local taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 or unknown, greater or less than (\$4,314,874)	\$0 or unknown, greater or less than (\$435,589)	\$0 or unknown, greater or less than (\$383,479)
Total Estimated Net Effect on General Revenue	\$0 or unknown, greater or less than (\$4,314,874)	\$0 or unknown, greater or less than (\$435,589)	\$0 or unknown, greater or less than (\$383,479)

*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
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0 or unknown, greater or less than \$2,808,266	\$0 or unknown, greater or less than \$13,180,880	\$0 or unknown, greater or less than \$20,609,035

FISCAL ANALYSIS

ASSUMPTION

Sections 50.327, 58.095, & 58.200 - Compensation for County Coroners & Salary Schedules for 3rd Class Counties

Oversight assumes §§50.327 & 58.095 state the county commission is responsible for determining the salary for the county coroner in non-charter counties. Section 58.095 contains the base schedule of salaries as determined by the assessed valuation of the county. Section 50.327 adds an additional salary increase of up to \$14,000 on top of the base schedule if approved by the county commission. Oversight is unclear of how much each county coroner receives in salary. However, there are 109 non-charter counties that could be considered for the additional funds in section 58.095 (if approved by the appropriate county commission). Oversight assumes if all of these counties approved the \$14,000 increase, this could be up to \$1,526,000 in increased salaries for coroners. However, Oversight assumes no increase coroner's salaries would take place without the approval by the county commission. Therefore, Oversight will assume a cost of \$0 (no salary increases) or up to \$1,526,000 (salary increases approved in every non-charter county) for coroners for this proposal.

Oversight also notes in §50.327.4 relates to the following 3rd class counties and their assessed valuations as of the 2023 tax year that are greater than the three hundred million dollars:

	County Classification	2023 Assessed Valuation
Adair	3	\$430,848,859
Andrew	3	\$339,770,981
Audrain	3	\$469,417,268
Barry	3	\$647,404,235
Benton	3	\$358,900,749
Butler	3	\$754,673,711
Clinton	3	\$393,171,330
Cooper	3	\$323,118,781
Crawford	3	\$389,033,489
Dunklin	3	\$338,242,680
Henry	3	\$503,243,895
Howell	3	\$596,934,551
Laclede	3	\$541,690,914
Lawrence	3	\$619,508,496

Marion	3	\$560,698,298
McDonald	3	\$330,042,191
Miller	3	\$540,605,203
Morgan	3	\$616,547,314
New Madrid	3	\$500,801,647
Nodaway	3	\$433,445,925
Perry	3	\$446,985,233
Phelps	3	\$739,087,980
Pike	3	\$361,352,206
Polk	3	\$451,741,017
Pulaski	3	\$594,635,413
Randolph	3	\$569,115,893
Ray	3	\$446,169,890
Scott	3	\$592,176,131
Ste. Genevieve	3	\$979,919,236
Stoddard	3	\$610,422,073
Stone	3	\$846,550,738
Texas	3	\$312,859,406
Vernon	3	\$312,160,164
Warren	3	\$778,812,601
Washington	3	\$323,351,401
Webster	3	\$584,282,278

Oversight notes the proposal does not specify how the base schedules should be amended for the computation of salaries for 3rd class county positions. Currently, the base salary for each of the positions in this section are as follows:

Section		Base Salary at \$300,000,000 Assessed Valuation
49.082	County Commissioners	\$29,700
50.334	Recorder of Deeds	\$45,000
51.281	County Clerks	\$45,000
51.282	County Clerk (Clay)	\$34,500
52.269	County Collectors	\$45,000
53.082	Assessors	\$45,000
53.083	Assessor (Clay)	N/A
54.261	Treasurers	\$45,000

54.32	Collector/Treasurer (Townships)	\$45,000
55.091	Auditor	\$45,000
56.265	Prosecuting Attorneys	\$55,000
58.095	Coroners	\$16,000
473.742	Public Administrators	\$45,000

Therefore, **Oversight** will also assume a \$0 (no adjustment to salaries) or unknown additional costs to 3rd class county salaries for this section of the proposal.

Sections 50.815 & 50.820 - County Financial Statements

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

Oversight inquired with Henry County regarding this proposal. The County currently submits a 14 page document to the newspaper which lists out every dollar by vendor. Since this proposal requires a summary of data to be published in the newspaper, Henry County's publishing costs would be reduced as the number of pages would be reduced that would be submitted to the newspaper.

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

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

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

Section 55.160 - County Auditors

In response to a similar proposal from 2024, HCS for HB 2348, officials from the **Christian County Auditor's Office** and the **Clay County Auditor's Office** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this section.

Section 57.317 - Sheriff Salaries – Boone County

Oversight notes county commissions were asked to respond to Oversight’s request for fiscal impact, but did not provide any information. Oversight notes this proposal pertains to the Boone County Sheriff’s salary. Oversight assumes this does not place a limitation on the salary of the Boone County Sheriff and, therefore, there could be a potential increase from the salary that would be higher than what current statute dictates. Because Oversight is unclear on how much of an increase could be received by the Boone County Sheriff, Oversight will assume a \$0 or unknown cost to the Boone County Sheriff’s Office.

Section 64.231 - County Planning Board Hearings

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

Section 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.

Sections 67.782, 67.783, & 67.785 - Recreation Tax - Recreational Districts

Officials from the **Department of Revenue (DOR)** note the legislation states any county with more than nine thousand nine hundred but fewer than eleven thousand inhabitants with a county seat with more than one thousand but fewer than one thousand five hundred inhabitants and any county with more than eighty thousand but fewer than one hundred thousand inhabitants and with a county seat with more than thirteen thousand but fewer than seventeen thousand inhabitants can impose a sales tax for public recreational purposes. DOR believes that Bollinger County and Cape Girardeau County are the ones allowed the sales tax.

Both Bollinger County and Cape Girardeau County are allowed to adopt this tax by a vote of their people. This is a 1% sales tax. DOR notes that the department is allowed to retain 1% of all sales tax collected for reimbursement of the department’s expenses.

BOLLINGER COUNTY

DOR records show that Bollinger County has taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$12,560,145.46	\$13,495,032.67	\$13,446,426.78	\$13,405,148.98	\$52,906,753.89
2021	\$13,166,999.41	\$12,967,346.48	\$13,099,439.32	\$22,843,062.50	\$62,076,847.71
2022	\$13,657,520.51	\$14,342,136.19	\$14,986,689.07	\$22,478,730.17	\$65,465,075.94
2023	\$14,741,559.22	\$14,972,713.91	\$15,584,765.18	\$16,035,178.52	\$61,334,216.83

Sales Tax only

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	\$65,088,362	\$650,884	\$6,509	\$644,375
2027	\$66,390,129	\$663,901	\$6,639	\$657,262
2028	\$67,717,931	\$677,179	\$6,772	\$670,408

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.

Bollinger County	1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$4,426	\$438,175
2028	\$6,772	\$670,408

*Effective Date 8/28/2025

CAPE GIRARDEAU COUNTY

DOR records indicate that Cape Girardeau County had taxable sales of:

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	318,049,760.59	346,574,051.34	359,218,108.71	378,945,057.54	1,402,786,978.18
2021	366,220,766.84	395,229,866.54	397,370,935.93	438,791,884.20	1,597,613,453.51
2022	379,093,258.62	422,916,960.53	450,150,408.76	457,241,987.23	1,709,402,615.14
2023	407,410,420.78	432,302,741.27	435,778,172.23	456,595,183.41	1,732,086,517.69

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 Cape Girardeau County would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$1,838,104,069	\$18,381,041	\$183,810	\$18,197,230
2027	\$1,874,866,151	\$18,748,662	\$187,487	\$18,561,175
2028	\$1,912,363,474	\$19,123,635	\$191,236	\$18,932,398

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.

Cape Girardeau	1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$124,991	\$12,374,117
2028	\$191,236	\$18,932,398

*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) if just one county passes it.

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 notes this proposal states that Bollinger and Cape Girardeau counties do not have to act jointly to impose a recreational sales tax. If enacted, this bill will initially only apply to Bollinger and Cape Girardeau counties. If approved by voters, an additional 1% tax could generate roughly \$670,000 in Bollinger County and \$18.9 million in Cape Girardeau County.

Section 67.1003 - Cottleville & Weldon Springs Transient Guest Tax

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

Oversight assumes this proposal authorizes the Cities of Cottleville and the City of Weldon Spring, upon voter approval, to enact a transient guest tax of not more than 5% per occupied room 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 the City of Cottleville and/or the City of Weldon Spring. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact to the City of Cottleville and the City of Weldon Spring for this provision.

Section 67.1009 - Knob Noster Transient Guest Tax

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

Oversight notes this section permits certain cities the ability to vote in a transient guest tax for promotion of the city. **Oversight** assumes the proposal permits the City of Knob Noster (Subdivision 3) to impose a transient guest tax, upon voter approval, of not more than 6% per occupied room, per night. The transient guest tax on the City of Knob Noster would be used for the promotion of tourism, economic development and the retention and growth of Whiteman Air Force Base. Therefore, **Oversight** will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to Knob Noster for this proposal. Oversight does not have enough information regarding sleeping rooms in Knob Noster to provide an estimate.

Section 67.1013 - City of Harrisonville & City of Jackson Transient Guest Tax

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

Oversight notes this provision permits certain cities the ability to vote in a transient guest tax for promotion of the city.

Oversight assumes the proposal permits the city of Harrisonville and the City of Jackson to impose a transient guest tax, upon voter approval, of not more than 6% per occupied room, per night. The transient guest tax would be used for the promotion of tourism.

Oversight does not have information regarding the number of sleeping rooms, occupancy rates and charges. Therefore, **Oversight** will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to each the City of Harrisonville and the City of Jackson for this proposal.

Section 67.1018 - New Madrid County Transient Guest Tax

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

Oversight assumes this proposal permits New Madrid County (Subdivision 2) the ability to vote on a transient guest tax (of not more than 5% per occupied room, per night) for the purposes of law enforcement and tourism. Oversight notes New Madrid County is not currently on-boarded with Oversight to receive legislation for response. The transient guest tax for New Madrid County would be used by the county with 50% of the proceeds to fund law enforcement and the remaining 50% of the proceeds to fund the promotion of tourism. Oversight does not have enough information regarding sleeping rooms in New Madrid County to provide an estimate of the additional revenue (if approved). Therefore, Oversight will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to New Madrid County for this proposal.

Section 67.1360 - City of Richmond Transient Guest Tax

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

Oversight notes this section (Subdivision 38) permits the City of Richmond the ability to vote in a transient guest tax (of not less than 2% and not more than 5% per occupied room, per night) for funding the promotion of tourism. The transient guest tax may be charged on hotels, motels, bed and breakfast inns, and campgrounds and any docking facility that rents slips to recreational boats. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown amount of revenue (ballot proposal passed by the voters) to the City of Richmond for this proposal. Oversight does not have enough information regarding sleeping rooms in the City of Richmond to provide an estimate.

Section 67.1366 - Transient Guest Tax for Community Center

Officials from the **Department of Revenue (DOR)** note this proposal allows the City of Springfield to use their transient guest tax for funding a community center. DOR notes the Springfield will continue with their existing tax and therefore this will not have a fiscal impact.

Officials from the Department of Revenue assume the provision will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

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

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

Oversight assumes this proposal authorizes Ste. Genevieve County and Perry County upon voter approval, to enact a transient guest tax of not more than 6% per occupied room at hotels, motels, bed and breakfast inns or campground cabins per night for tourism purposes. Oversight assumes this proposal is permissive in nature and would have no local fiscal impact without action by the governing body and approval by the majority of voters. If the majority of voters approve this issue on the ballot, then there would be potential tax revenue for Ste. Genevieve County/Perry County. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact for this proposal.

Section 67.2500 - Theater, Cultural Arts District

Officials from the **Department of Revenue (DOR)** note this adds Camden County to the list of counties that can establish a Theater, Cultural Arts and Entertainment District. This allows the County to have an election to see if their residents will support an additional one-half of one percent sales tax for funding a theater or cultural arts center. Should the citizens reject this additional tax, it will not have a fiscal impact.

Should the citizens approve of the tax, it should be noted that DOR is not involved in the collection of this sales tax. This is a local tax, and the local political subdivision is responsible for the collection and administration of this tax. Therefore, this will not fiscally impact DOR. DOR defers to Camden County for an estimate of the amount of tax they may collect.

In response to a similar proposal from 2025, (SCS for SB 104), officials from the **Office of Administration - Budget and Planning (B&P)** note this provision is intended to allow the establishment of an entertainment district in the Lake of the Ozarks. Any county that borders on

or that contains part of a lake with not less than one thousand miles of shoreline is not a demographic description that can be confirmed by B&P.

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

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

Officials from the **Department of Commerce and Insurance**, the **Missouri Ethics Commission**, the **Office of the Secretary of State** and the **City of Kansas City** each 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.

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.

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

Section 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.

Officials from the **Department of Revenue** assume the provision will have no fiscal impact on their organization.

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.

Section 94.900 - Public Safety Sales Tax(es)

Officials from the **Department of Revenue (DOR)** note the following:

City of Joplin

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

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

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

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

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

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

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

*Effective Date 8/28/2025

Cities of Hannibal & Sikeston

The legislation states any city with more than sixteen thousand but fewer than eighteen thousand inhabitants and located in more than one county can impose a sales tax for public safety services.

DOR believes that the Cities of Hannibal and Sikeston are the ones allowed the sales tax.

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

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$69,982,368.93	\$87,152,350.18	\$85,155,681.85	\$87,018,478.50	\$329,308,879.46
2021	\$81,082,721.86	\$93,364,299.02	\$92,954,006.96	\$97,111,124.68	\$364,512,152.52
2022	\$81,170,292.21	\$100,642,087.33	\$100,479,879.44	\$102,098,456.41	\$384,390,715.39
2023	\$93,944,023.14	\$105,473,477.82	\$98,614,294.11	\$102,438,199.94	\$400,469,995.01

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

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

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

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

*Effective Date 8/28/2025

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

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

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

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
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

City of Richmond

The legislation states any city with more than five thousand six hundred but fewer than six thousand three hundred inhabitants that is a county seat with more than twenty-two thousand but fewer than twenty-five thousand inhabitants can impose a sales tax for public safety services. DOR believes that the City of Richmond is the one allowed the sales tax.

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

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$24,964,469.25	\$28,091,507.09	\$27,102,776.03	\$27,978,039.19	\$108,136,791.56
2021	\$28,893,422.35	\$29,753,520.24	\$29,480,584.74	\$31,288,951.76	\$119,416,479.09
2022	\$29,693,490.31	\$31,698,332.36	\$32,037,452.89	\$34,606,387.89	\$128,035,663.45
2023	\$32,951,834.52	\$33,190,461.03	\$31,715,577.35	\$33,881,323.38	\$131,739,196.28

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 Richmond would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$139,802,689	\$699,013	\$6,990	\$692,023
2027	\$142,598,743	\$712,994	\$7,130	\$705,864
2028	\$145,450,718	\$727,254	\$7,273	\$719,981

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.

Richmond	1/2 of 1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$4,753	\$470,576
2028	\$7,273	\$719,981

*Effective Date 8/28/2025

City of Warrensburg

The legislation states any city with more than eighteen thousand but fewer than twenty thousand inhabitants that is a county seat with more than fifty thousand but fewer than sixty thousand inhabitants can impose a sales tax for public safety services. DOR believes that the City of Warrensburg is the one allowed the sales tax.

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

Fiscal Year	Jul-Sept	Oct-Dec	Jan-Mar	April- June	Total
2020	\$80,103,027.90	\$86,221,680.94	\$87,312,766.30	\$85,078,383.10	\$338,715,858.24
2021	\$87,555,011.38	\$94,341,177.97	\$97,669,163.11	\$98,618,688.24	\$378,184,040.70
2022	\$91,030,341.09	\$101,028,137.15	\$105,495,883.35	\$107,249,462.02	\$404,803,823.61
2023	\$102,087,078.95	\$106,324,491.79	\$105,760,533.25	\$107,724,067.42	\$421,896,171.41

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 Warrensburg would collect, and the fee retained by DOR as:

Fiscal Year	Total Sales	Total Collections	DOR 1% Fee	Final Collection
2026	\$447,719,592	\$2,238,598	\$22,386	\$2,216,212
2027	\$456,673,984	\$2,283,370	\$22,834	\$2,260,536
2028	\$465,807,464	\$2,329,037	\$23,290	\$2,305,747

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.

Warrensburg	1/2 of 1% Tax	
Fiscal Year	DOR 1%	Local Collection
2026	\$0	\$0
2027 (8 months)	\$15,222	\$1,507,024
2028	\$23,290	\$2,305,747

*Effective Date 8/28/2025

If any of these cities pass a sales tax the Department will need to make changes to the department's 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.

Oversight notes DOR anticipates administrative costs of (\$7,328) per city that passes the sales tax. Therefore, Oversight will show a range of potential costs to DOR of \$0 (not approved by voters) up to (\$43,968) (\$7,328 x 6 cities).

Section 94.961 - Wentzville Transient Guest Tax

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

Oversight assumes this proposal authorizes the City of Wentzville, upon voter approval, to enact a transient guest tax of at least 2% but not more than 5% per occupied room per night for general revenue 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 the City of Wentzville. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact for this proposal.

Section 94.1016 Arrow Rock Transient Guest Tax.

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

Oversight assumes this proposal authorizes the Village of Arrow Rock, upon voter approval, to enact a transient guest tax. 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 the Village of Arrow Rock. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact for this proposal.

Section 105.145 - Financial Reports by Political Subdivisions

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

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

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

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

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

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

County	Sum of Total Fine Imposed	Sum of Total Fine Collected
Adair	\$1,948,500	\$1,500
Andrew	\$622,500	\$0
Atchison	\$1,374,000	\$0
Audrain	\$1,154,500	\$0
Barry	\$3,522,000	\$19,993
Barton	\$0	\$0
Bates	\$1,458,000	\$35,935
Benton	\$1,045,500	\$0
Bollinger	\$3,589,000	\$0
Boone	\$259,000	\$38,825
Buchanan	\$3,106,500	\$113,953
Butler	\$3,429,500	\$53,829
Caldwell	\$168,000	\$25,254
Callaway	\$1,077,500	\$4,652
Camden	\$3,761,025	\$71,588
Cape Girardeau	\$1,532,000	\$0
Carroll	\$6,309,000	\$0
Carter	\$4,206,000	\$330,094
Cass	\$8,278,000	\$17,261
Cedar	\$755,000	\$49,500

Chariton	\$1,216,500	\$41,500
Christian	\$3,890,000	\$0
Clark	\$1,238,000	\$37,500
Clay	\$2,505,500	\$80,000
Clinton	\$1,895,500	\$27,500
Cole	\$1,166,000	\$9,153
Cooper	\$2,118,500	\$17,500
Crawford	\$2,383,000	\$38,359
Dade	\$332,500	\$0
Dallas	\$1,816,000	\$0
Daviess	\$1,464,500	\$0
Dekalb	\$1,310,000	\$0
Dent	\$342,000	\$0
Douglas	\$0	\$0
Dunklin	\$2,852,000	\$35,240
Franklin	\$2,284,000	\$131,846
Gasconade	\$65,500	\$6,944
Gentry	\$2,072,000	\$0
Greene	\$1,257,500	\$23,147
Grundy	\$1,541,500	\$0
Harrison	\$1,306,500	\$0
Henry	\$1,741,000	\$77,967
Hickory	\$1,147,000	\$0
Holt	\$3,646,000	\$11,948
Howard	\$1,779,500	\$147,500
Howell	\$1,145,000	\$11,000
Iron	\$96,000	\$54,000
Jackson	\$3,879,500	\$531,928
Jasper	\$3,101,500	\$86,711
Jefferson	\$2,317,500	\$25,945
Johnson	\$1,216,500	\$12,000
Knox	\$2,221,000	\$0
Laclede	\$423,000	\$12,000
Lafayette	\$938,500	\$42,292
Lawrence	\$4,979,000	\$0
Lewis	\$3,116,000	\$0
Lincoln	\$2,197,000	\$42,500
Linn	\$2,005,000	\$15,000

Livingston	\$3,275,500	\$0
Macon	\$504,000	\$0
Madison	\$2,464,000	\$271,799
Maries	\$733,500	\$41,500
Marion	\$347,500	\$0
McDonald	\$200,000	\$14,147
Mercer	\$637,000	\$0
Miller	\$1,094,500	\$10,331
Mississippi	\$1,663,500	\$72,633
Moniteau	\$0	\$0
Monroe	\$47,000	\$10,000
Montgomery	\$865,500	\$4,204
Morgan	\$0	\$0
New Madrid	\$2,906,500	\$157,690
Newton	\$1,076,500	\$34,726
Nodaway	\$5,047,500	\$23,500
Oregon	\$137,500	\$136,500
Osage	\$1,610,500	\$19,822
Ozark	\$43,000	\$43,000
Pemiscot	\$3,752,000	\$7,059
Perry	\$2,729,500	\$0
Pettis	\$1,232,000	\$15,500
Phelps	\$966,000	\$63,761
Pike	\$202,500	\$127,500
Platte	\$1,978,500	\$300,023
Polk	\$867,500	\$43,621
Pulaski	\$2,914,500	\$17,431
Putnam	\$52,000	\$24,500
Ralls	\$255,500	\$53,598
Randolph	\$2,328,000	\$13,358
Ray	\$5,074,000	\$0
Reynolds	\$1,136,500	\$10,821
Ripley	\$224,500	\$0
Saline	\$1,889,500	\$35
Schuyler	\$453,500	\$18,500
Scotland	\$1,655,000	\$0
Scott	\$3,469,000	\$47,957
Shannon	\$287,000	\$172,986

Shelby	\$15,500	\$15,500
St. Charles	\$2,917,000	\$142,395
St. Clair	\$3,601,500	\$376
St. Francois	\$478,500	\$36,220
St. Louis	\$6,796,500	\$1,957,273
St. Louis City	\$9,565,000	\$251,298
Ste. Genevieve	\$0	\$0
Stoddard	\$2,402,500	\$154,500
Stone	\$1,485,500	\$88,500
Sullivan	\$1,198,000	\$0
Taney	\$3,484,500	\$36,500
Texas	\$1,689,500	\$42,500
Vernon	\$3,236,500	\$12,000
Warren	\$10,500	\$10,500
Washington	\$856,500	\$12,000
Wayne	\$1,454,000	\$1,661
Webster	\$733,500	\$0
Worth	\$300,500	\$0
Wright	\$0	\$0
(blank)	\$319,000	\$63,262
Grand Total	\$211,266,525	\$6,862,850

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

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

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

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

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

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

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.

Sections 140.170 & 140.190 - Auctions for Land with Delinquent Property Taxes

Oversight notes this bill allows a county collector to hold an auction of lands with delinquent property taxes through electronic media at the same time as said auction is held in-person.

Oversight assumes this provision will have no fiscal impact state or local revenues. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Section 205.971 - County Developmental Disability Resource Board Tax Levies

Officials from the **Department of Mental Health (DMH)** note this proposal modifies provisions governing the use of county developmental disability resource board tax levies. Section 205.971 is regarding the use of county developmental disability resource board tax levies. All funds collected for the purpose of establishing and maintaining the county or city sheltered workshop, residence, facility or related services shall be deposited in a special fund. Deposits in the fund shall be expended only upon approval of the board as follows: 1) board-approved expenditures shall include funds for the operations and maintenance of sheltered workshops that are compliant with board funding request requirements 2) no board of directors shall require additional certifications or requirements for a compliant and credentialed applicant that are contrary to, or not currently required by, rules and standards developed and adopted by DESE for the operation of a sheltered workshop and 3) this section shall not be construed to prohibit board expenditures from being used for the purposes of residence, facility or related services in addition to using board expenditures for the establishment or maintenance of the county or city sheltered workshop.

In general, county boards use their tax levy dollars to support a variety of services for people with developmental disabilities in their local communities. County boards are the primary payer of tax-supported services that are not Medicaid eligible. Additionally, some county boards also support state share of match for Medicaid services. FY25 projections show SB 40 boards paying in approximately \$1.4M in Medicaid match payments for targeted case management and Partnership for Hope waiver. Any re-direction of tax levy dollars may reduce Medicaid services or limit a county board from keeping up with inflationary growth. If county SB 40 boards and mill tax boards can no longer support their Medicaid obligations, DMH will need additional funding to continue supporting individuals accessing services as these dollars will no longer be available for state match.

Behavioral Health (DBH) has local match funding that supports services in designated counties. This could impact adult mental health and substance use disorder populations in the counties that have county tax match programs. Loss of county tax match funds for DBH services is estimated to be \$1,858,547 annually.

The Department of Mental Health estimates the fiscal impact to be approximately \$3,258,547 for FY26, FY27, and FY28 to cover Medicaid match payments which is based on FY25 projections.

It is assumed this amount would increase due to inflationary growth; therefore, the fiscal impact may increase but hard to determine at this time.

Oversight is uncertain if county boards would no longer be able to use funds for Medicaid obligations as noted by DMH. For purposes of this note, Oversight will assume this is speculative and will not reflect the impact in the fiscal note. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note.

In response to a similar proposal from 2024, (HCS for HB 1564), officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to a similar proposal from 2024, (HCS for HB 1564), officials from the **Callaway County SB 40 Board** assume a fiscal impact of an indeterminate amount.

Sections 221.400, 221.402, 221.407, 221.410 - Regional Jail Districts

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

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

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

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

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

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

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

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

Section 251.034 - Regional Planning Commissions

Oversight notes the Regional Planning Commissions receive funds from the Office of Administration and are required to be matched with local funds. This proposal doubles those limits and also provides for adjustments with the consumer price index beginning January 1, 2025. Oversight will reflect amounts “Up to” the proposed new amounts as these are caps, not actual appropriations. Oversight will use an inflation rate of 2% to calculate the amounts for FY 2026 and beyond. Oversight notes the appropriation in the current budget cycle (Perfected HB 5 – Section 5.305) is \$560,000, so there may not be additional fiscal impact in FY 2025.

Regional Planning Commission	Current Cap on Funding	Proposed Cap on Funding
East-West	\$65,000	\$130,000
Mid-American Regional Council	\$65,000	\$130,000
South Central Ozark	\$25,000	\$50,000
Ozark Foothills	\$25,000	\$50,000
Green Hills	\$25,000	\$50,000
Bootheel	\$25,000	\$50,000
Mark Twain	\$25,000	\$50,000
Southeast Missouri	\$25,000	\$50,000
Boonslick	\$25,000	\$50,000
Northwest Missouri	\$25,000	\$50,000
Mid-Missouri	\$25,000	\$50,000
Kaysinger Basin	\$25,000	\$50,000
Lake of the Ozark	\$25,000	\$50,000
Meramec	\$25,000	\$50,000
Northeast Missouri	\$25,000	\$50,000
Harry S. Truman	\$25,000	\$50,000
MO-Kan	\$25,000	\$50,000

Pioneer Trails	\$25,000	\$50,000
Southwest Missouri	\$25,000	\$50,000
Total	\$555,000	\$1,110,000

Oversight notes the actual state expenditures for the Regional Planning Commissions have been:

FY 2021 \$291,000

FY 2022 \$388,000

FY 2023 \$543,200

Section 311.094 - Entertainment Districts

Oversight notes this provision 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** assumes the fiscal impact of this proposal would ultimately be immaterial; therefore, Oversight will not reflect an impact in the fiscal note.

Responses regarding the proposed legislation as a whole

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Officials from the **Office of Administration - Budget and Planning (B&P)** defers to the local and county governments for the fiscal impact of the various sales taxes imposed by this request and any procedural changes to county operations. 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 Corrections, Department of Public Safety, City of Kansas City, Jackson County Election Board, Platte County Board of Elections, St. Louis City Board of Elections, St. Louis County Board of Elections, Clay County Auditor, City of Osceola, and the Phelps County Sheriff** 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
GENERAL REVENUE			
<u>Potential Revenue Gain</u> - §67.597 - Bates County - DOR 1% Collection Fee if approved by voters - p. (7)	\$0	\$0 or up to \$10,079	\$0 or up to \$15,421
<u>Potential Revenue Gain</u> - §94.900 - DOR 1% Collection Fee - Joplin, if approved by voters - p. (14)	\$0	\$0 or up to \$61,755	\$0 or up to \$94,485
<u>Potential Revenue Gain</u> - §94.900 - City of Hannibal - DOR 1% Collection Fee if approved by voters - p. (15)	\$0	\$0 or up to \$14,449	\$0 or up to \$22,108
<u>Potential Revenue Gain</u> - §94.900 - City of Sikeston - DOR 1% Collection Fee if approved by voters - p. (15)	\$0	\$0 or up to \$14,358	\$0 or up to \$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 up to \$10,921	\$0 or up to \$16,710

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<u>Potential Revenue Gain</u> - §94.900 - City of Richmond - DOR 1% Collection Fee if approved by voters - p. (17)	\$0	\$0 or up to \$4,753	\$0 or up to \$7,273
<u>Potential Revenue Gain</u> - §94.900 - City of Warrensburg - DOR 1% Collection Fee if approved by voters - p. (18)	\$0	\$0 or up to \$15,222	\$0 or up to \$23,290
<u>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.(24)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>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. (24)	\$0 or up to (\$3,679,266)	\$0	\$0
<u>Revenues</u> - §§221.400, 221.402, 221.405, 221.407 & 221.410 - DOR - 1% administration fee on sales tax collection - p. (26)	\$0	\$0 or Unknown, could exceed \$10,074	\$0 or Unknown, could exceed \$15,111
<u>Transfer Out</u> – §251.034 - to Regional Planning Commissions - p. (27)	\$0 or up to (\$555,000)	\$0 or up to (\$577,200)	\$0 or up to (\$599,844)
<u>Costs</u> - DOR - Sales tax updates to implement the proposal	(\$80,608)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or unknown, greater or less than (\$4,314,874)	\$0 or unknown, greater or less than (\$435,589)	\$0 or unknown, greater or less than (\$383,479)

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> - §§50.327 & 58.095 - Counties - potential salary increases for county coroners - p. (4)	\$0 or up to (\$1,526,000)	\$0 or up to (\$1,526,000)	\$0 or up to (\$1,526,000)
<u>Cost</u> - §50.327.4 - Counties - adjustment on base schedules for county officials - p. (5)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Savings</u> - §50.815 - in publication costs on financials posted in a newspaper of general circulation - p. (5)	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - §57.317 - Boone County Sheriff - potential increase in salary - p. (6)	\$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. (7)	\$0	\$0 or up to \$997,839	\$0 or up to \$1,526,694
<u>Potential Revenue Gain</u> - §67.1003 - City of Cottleville - Potential income from transient guest tax if approved by voters - p. (10)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1003 - City of Weldon Spring - Potential income from transient guest tax if approved by voters - p. (10)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1009 - City of Knob Noster - Potential income from transient guest tax if approved by voters - p. (10)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<u>Potential Revenue Gain</u> - §67.1013 - City of Harrisonville - Potential income from transient guest tax if approved by voters - p. (10)	\$0	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1013 - City of Jackson - Potential income from transient guest tax if approved by voters - p. (10)	\$0	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1018 - New Madrid County - Potential income from transient guest tax if approved by voters - p.(11)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1360 - City of Richmond - Potential income from transient guest tax if approved by voters - p.(11)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1367 - Ste Genevieve County - Potential income from transient guest tax if approved by voters - p.(12)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.1367 - Perry County - Potential income from transient guest tax if approved by voters - p.(12)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §67.2500 - Camden County - Potential income from cultural arts district sales tax if approved by voters - p.(12)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §94.900 - City of Joplin - Potential income from Public Safety Sales Tax if approved by voters - p. (14)	\$0	\$0 or up to \$6,113,733	\$0 or up to \$9,354,011

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<u>Potential Revenue Gain</u> - §94.900 - City of Hannibal - Potential income from Public Safety Sales Tax if approved by voters - p. (15)	\$0	\$0 or up to \$1,430,489	\$0 or up to \$2,188,649
<u>Potential Revenue Gain</u> - §94.900 - City of Sikeston - Potential income from Public Safety Sales Tax if approved by voters - p. (15)	\$0	\$0 or up to \$1,421,410	\$0 or up to \$2,174,757
<u>Potential Revenue Gain</u> - §94.900 - City of Moberly - Potential income from Public Safety Sales Tax if approved by voters - p. (16)	\$0	\$0 or up to \$1,081,226	\$0 or up to \$1,654,277
<u>Potential Revenue Gain</u> - §94.900 - City of Richmond - Potential income from Public Safety Sales Tax if approved by voters - p. (17)	\$0	\$0 or up to \$470,576	\$0 or up to \$719,981
<u>Potential Revenue Gain</u> - §94.900 - City of Warrensburg - Potential income from Public Safety Sales Tax if approved by voters - p. (18)	\$0	\$0 or up to \$1,507,024	\$0 or up to \$2,305,747
<u>Potential Revenue Gain</u> - §94.961 - City of Wentzville - Potential income from transient guest tax if approved by voters - p. (19)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Revenue Gain</u> - §94.961 - Village of Arrow Rock - Potential income from transient guest tax if approved by voters - p. (19)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Potential Savings</u> - §105.145 - on potential fines for certain LPS - p. (24)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<u>Potential Loss</u> - §105.145 - School districts receiving less fine revenue (from savings above) - p. (24)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<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. (24)	\$0 or up to \$183,963,308	\$0	\$0
<u>Potential Loss</u> - §105.145 - School Districts - reduction in fine revenue from one-time adjustment of fine revenue - p. (24)	\$0 or up to (\$180,284,042)	\$0	\$0
<u>Potential Revenue</u> - §§221.400, 221.402, 221.405, 221.407 & 221.410 - Regional Jail District(s) - additional sales taxes received if approved by voters - p. (26)	\$0	\$0 or Unknown, could exceed \$1,007,383	\$0 or Unknown, could exceed \$1,511,075
<u>Transfer In</u> - §251.034 - Regional Planning Commissions - from General Revenue - p. (27)	\$0 or up to \$555,000	\$0 or up to \$577,200	\$0 or up to \$599,844
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or unknown, greater or less than \$2,808,266	\$0 or unknown, greater or less than \$13,180,880	\$0 or unknown, greater or less than \$20,609,035

FISCAL IMPACT – Small Business

Certain small businesses may need to collect additional tax(es) as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation modifies provisions relating to political subdivisions.

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

SOURCES OF INFORMATION

Department of Revenue (DOR)
Office of Administration - Budget and Planning (B&P)
Department of Commerce and Insurance
Missouri Ethics Commission
Department of Mental Health (DMH)
Department of Corrections
Department of Public Safety
Department of Elementary and Secondary Education
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Attorney General (AGO)
City of Kansas City
Callaway County SB 40 Board
Christian County Auditor's Office
Henry County
Lincoln County
Livingston County
Jackson County Election Board
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Clay County Auditor
Phelps County Sheriff
City of Osceola



Julie Morff
Director
March 25, 2025



Jessica Harris
Assistant Director
March 25, 2025