

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1470H.02C  
Bill No.: HCS for HB 777  
Subject: State Tax Commission; Property, Real and Personal; Taxation and Revenue -  
Property; Counties; County Officials  
Type: Original  
Date: April 2, 2025

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Bill Summary: This proposal modifies provisions relating to the State Tax Commission.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0	(\$500,000)	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>(\$500,000)</b>	<b>\$0</b>

\*One time appropriation to STC for the assessment maintenance funds to help with compliance of the computer software used by county assessors in smaller counties

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

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

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

- ☒ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§138.385 – Assessment Maintenance Funds of County Assessors**

Officials from the **State Tax Commission (STC)** have determined that this bill requires the commission to promulgate rules regarding the computer assisted mass appraisal systems that assessors use to assess property taxes. There is no cost associated with the rule making process for the commission, but it is estimated that 10% of counties will need assistance to meet any updated requirements of the rules that may be promulgated. STC estimates that an additional \$500,000 will need to be appropriated to the assessment maintenance funds to help with compliance by the smaller counties.

**Oversight** notes the Assessment Maintenance Fund is in HB 4 under section 4.170 RSMo. The current assessment maintenance appropriation for FY26 of \$11,267,191 reimburses at 50% of all costs associated with implementing a two-year reassessment plan. In order to meet the requirements of this proposal, STC assumes a one-time appropriation by the General Assembly in order to help 10% of the counties with compliance. Subsection 1 of the proposal states the STC will adopt or implement the rule on or before August 1, 2026 or FY27. Therefore, **Oversight** will reflect STC's estimate in FY27.

Officials from the **Department of Commerce and Insurance**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation** and the **Joint Committee on Administrative Rules** 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** only reflects the responses received from state agencies and political subdivisions; however, other counties, St. Louis City and county assessors were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> – funding for county assessor’s local assessment fund for computer assisted mass appraisal software §138.385	\$0	(\$500,000)	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>(\$500,000)</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>COUNTY ASSESSOR FUNDS</b>			
<u>Transfer In</u> – funding for county assessor’s local assessment fund for computer assisted mass appraisal software §138.385	\$0	\$500,000	\$0
<b>ESTIMATED NET EFFECT ON COUNTY ASSESSOR FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$500,000</u></b>	<b><u>\$0</u></b>

#### FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

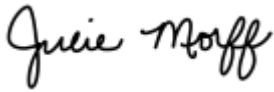
#### FISCAL DESCRIPTION

On or before August 1, 2026, the State Tax Commission (STC) shall adopt and implement by rule final specifications for computer assisted mass appraisal software used by County Assessors. The rules may provide procedures for the STC to compensate a county through the county's local assessment fund.

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

State Tax Commission  
Joint Committee on Administrative Rules  
Department of Commerce and Insurance  
Missouri Department of Agriculture  
Missouri Department of Transportation



Julie Morff  
Director  
April 2, 2025



Jessica Harris  
Assistant Director  
April 2, 2025