

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4616H.011  
 Bill No.: HJR 143  
 Subject: Constitutional Amendments; Property, Real and Personal; Taxation and Revenue -  
 Property; Motor Vehicles  
 Type: Original  
 Date: January 26, 2026

Bill Summary: This proposal proposes a constitutional amendment authorizing counties to exempt eligible motor vehicles from personal property taxes.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	\$0 or (More than \$9,000,000)*	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (More than \$9,000,000)*</b>	<b>\$0</b>	<b>\$0</b>

\*The potential fiscal impact of “(More than \$9,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0*</b>	<b>\$0</b>	<b>\$0</b>

\*The potential fiscal impact to local election authorities (reimbursed by the state) would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal is only enabling language. Any potential revenue impact would be included in related statute proposals. This proposal will not impact:

- TSR
- The calculation under Article X, Section 18(e)
- B&P

Officials from the **Department of Social Services (DSS)** note the proposed constitutional amendment exempts an eligible motor vehicle, as defined by general law, from ad valorem personal property taxes imposed in such county. The general assembly may provide the processes and procedures for such exemption by general law.

Blind Pension is funded from 0.03% (\$.03) of each \$100 assessed valuation of taxable property. It is unknown how the provisions in the proposed constitutional amendment would affect the taxes collected for the Blind Pension fund as it is unknown how an eligible motor vehicle will be defined by general law or what counties will exempt eligible motor vehicles from taxation. For the purposes of this fiscal note, Family Support Division (FSD) assumes that eligible motor vehicles will be motor vehicles including recreational vehicles currently assessed at 33 1/3% of its true value in money and that up to all counties will exempt these vehicles from taxation.

According to the 2024 [State Tax Commission Annual Report](#), the 2024 total assessed valuation for vehicles including recreational vehicles was \$20,346,815,488. The 2024 total assessed valuation for all property was \$151,673,672,937. Vehicles including recreational vehicles is 13.41% of all property ( $\$20,346,815,488 / \$151,673,672,937 = .1341$  rounded down).

Taxes collected in 2025 for the Blind Pension Fund were \$47,653,469.78. The vehicles including recreational vehicles portion of the Blind Pension Fund is \$6,390,330 ( $\$47,653,469.78 * 13.41\% = \$6,390,330.30$  rounded down).

Therefore, FSD estimates the fiscal impact to the Blind Pension fund as a result of this proposed constitutional amendment is \$0 - \$6,390,330 beginning in SFY 2028.

Officials from the **State Tax Commission (STC)** have reviewed this proposal and determined it will have an unknown negative fiscal impact on school districts and other local taxing jurisdictions (cities, counties and fire districts) who rely on property tax as a source of revenue.

Based on the State Tax Commission 2024 Annual Report, 12.96% of property taxes collected were attributed to personal property ( $\$10,427,068,714 * .1296 = \$1,351,348,105$ ). Allowing counties to exempt motor vehicles would reduce the amount of personal property taxes collected

in that county. It is important to note that some of the tax burden could shift to other property owners in any county that enacts an exemption under the Hancock Amendment.

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** indicate that its provisions may constitute a “substantial proposed change” in future plan benefits as defined in section 105.660(10). It is impossible to accurately determine the fiscal impact of this legislation without an actuarial cost statement prepared in accordance with section 105.665. Pursuant to section 105.670, an actuarial cost statement must be filed with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information for at least five legislative days prior to final passage.

Officials from the **County Employees Retirement Fund (CERF)** assume there is insufficient data to quantify HJR 143’s exact impact. However, the County Employees’ Retirement Fund assumes HJR 143 would have a negative fiscal impact. A certain portion of the moneys that are used to fund CERF are tied to the collection of property taxes. Depending on the number of counties that would choose to exempt motor vehicles, CERF would expect the changes to potentially result in a deterioration of CERF’s funding over time. Unless the funding is replaced with other sources, this HJR likely has serious implications for CERF’s long-term sustainability including the inability to pay benefits to retirees and beneficiaries when due.

Officials from the **City of Kansas City** assume the proposed legislation has a negative fiscal impact of an indeterminate amount.

Officials from the **St Louis City Assessor** note the following:

2025 Vehicle Assessed Value	2025 Vehicle Market Value
569,756,017	1,709,269,760

Status of motor vehicles	Taxable	Exempt
Year	2025	2026
Assessed Value	569,756,017	0
Taxes	\$46,219,748	0

Drop in revenue if motor vehicle exempted	-\$46,219,748
City of St. Louis taxes lost	-\$9,243,950
Loss to Collector of Revenue Fund	-\$693,296
Loss to Assessment Fund	-\$288,873

Officials from the **Wahington County Assessor** note the loss of revenue would affect road & bridge, employment for government workers, ambulance, fire, school, etc.

Officials from the **Kansas City Police Dept.** assume this could impact City Revenue which could impact the amount of appropriations used in the operation the Police Department.

Officials from **Boone County SB 40 (Boone County Family Resources)** assume a reduction in funding from personal property and real property taxes would have profound consequences for individuals with intellectual and developmental disabilities (IDD), limiting access to the essential supports they depend on. County Boards—also known as Senate Bill 40 organizations—such as Boone County Family Resources (BCFR) play a vital role in assessing local needs and cultivating a strong network of high-quality services for more than 2,400 Boone County residents with developmental disabilities and their families.

In Boone County alone, BCFR receives approximately \$4.5 million annually from personal property taxes, representing 28% of the board's operating budget. Eliminating this revenue source would immediately and substantially reduce the funding available for critical services, creating a significant negative impact on Boone Countians with developmental disabilities.

Officials from the **Newton County Health Department, Branson Police Dept,** and the **St. Louis County Police Dept** 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.

Officials from the **Office of the Secretary of the State (SOS)** assume, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, joint resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a joint resolution to a vote of the people, Section 115.063.2, RSMo., requires the state to pay the costs. The cost of a special election has been estimated to be \$9 million based on the cost of past primary and general election reimbursements.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY27 publication cycle, the SOS estimates publication costs at \$515,000 per ballot measure. This amount is an average and will be subject to change based on the number of petitions received, length of those petitions, and rates charged by newspaper publishers. In a year where many lengthy measures must be published, the Secretary of State's Office may need to budget up to \$10,000,000 to ensure sufficient funding is available to meet its constitutional obligations for the election cycle.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

**Oversight** has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2027. This reflects the decision made by the Joint Committee on Legislative Research that the cost of the elections should be shown in the fiscal note. Per the SOS, the cost is estimated at \$9 million based on past costs as well as the anticipation of significant increases in future election-related expenses. The next scheduled statewide general election is in November 2026 (FY 2027). It is assumed the subject within this proposal could be on this ballot; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2027.

**Oversight** notes according to the Department of Revenue's Total Active Vehicles by Kind of Vehicle by Model Year [report](#), there were 6,252,970 active vehicles as of January 2026.

Oversight notes property tax revenues are designed to be relatively 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) (pending voter approval).

Oversight notes some taxing entities have tax rate ceilings that are at their statutory or voter approved maximum or 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 notes some taxing entities will be able to increase the tax rate levied on other property to make up for the lost revenue from exempt assessments for motor vehicles. Some may not be able to.

Oversight notes this proposal is contingent on a voter approved amendment to the Constitution. Oversight is uncertain how many taxing districts would initiate approval of the tax exemption.

Oversight assumes any impact from a property tax exemption to the Blind Pension Fund and local political subdivisions would require enabling legislation. Therefore, Oversight will not show an impact to the Blind Pension Fund or local political subdivisions from a property tax exemption in this fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Transfer Out – SOS - Reimbursement of local election authority election costs if a special election is called by the Governor</u>	\$0 or (More than <u>\$9,000,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or (More than <u>\$9,000,000</u>)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer In - Local Election Authorities - Reimbursement of election costs by the State for a special election</u>	\$0 or More than \$9,000,000	\$0	\$0
<u>Costs - Local Election Authorities - Cost of a special election if called for by the Governor</u>	\$0 or (More than \$9,000,000)	\$0	\$0
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Upon voter approval, this constitutional amendment authorizes the exemption of eligible personal motor vehicles from personal property taxes for counties that opt into such an exemption.

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

Office of Administration - Budget and Planning  
Department of Social Services  
State Tax Commission  
Joint Committee on Public Employee Retirement  
County Employees Retirement Fund (CERF)  
Office of the Secretary of State  
City of Kansas City  
St Louis City Assessor  
Wahington County Assessor  
Kansas City Police Department  
Boone County SB 40 (Boone County Family Resources)  
Newton County Health Department  
Branson Police Department  
St. Louis County Police Department



Julie Morff  
Director  
January 26, 2026



Jessica Harris  
Assistant Director  
January 26, 2026