

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5978H.08T  
Bill No.: Truly Agreed To and Finally Passed CCS for SS for SCS for HB 2818  
Subject: Cities, Towns, and Villages; Annexation  
Type: Original  
Date: May 28, 2026

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Bill Summary: This proposal modifies provisions relating to annexation procedures for cities.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§71.012 & 71.015 – Annexation Procedures for Cities

Officials from the **Department of Natural Resources, Missouri Department of Transportation, Office of the State Courts Administrator, Platte County Board of Elections, St. Louis County Board of Elections, Branson Police Department, Kansas City Police Department, St. Louis County Police Department, Metropolitan St. Louis Sewer District, South River Drainage District** and the **Wayne County PWSD #2** 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.

In response to a previous version, officials from the **City of Kansas City, St. Louis City Board of Elections, City of Osceola, Jackson County Election Board, Kansas City Election Board, St. Louis City Assessor's Office, Howard County C-PWSD #1** and **Osceola Water/Wastewater District** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** states §71.014 in current law provides an additional annexation procedure for cities in certain counties using a petition process rather than a vote of the residents of the annexed area. This proposal would repeal this section and is not anticipated to have a fiscal impact.

Oversight notes §71.012.1(5) adds the governing body of St. Charles County who may decide to annex unincorporated areas that are contiguous and compact to existing corporate limits of the city, town or village. Oversight assumes no fiscal impact for this provision.

Oversight notes §71.012.1(6) pertains only to the cities, towns or villages within Jefferson County to annex an unincorporated area contiguous to the city, town, or village and annexation shall not have taken place within the last 24 months. Oversight assumes no fiscal impact from this provision.

Officials from the **City of St. Joseph** did not respond to **Oversight's** request for fiscal impact for this proposal.

**Oversight** assumes §71.012.1(8) allows the City of St. Joseph to annex an airport that is outside the boundaries of the City and is owned and operated by the City regardless of whether the boundaries of the airport are contiguous and compact to the existing corporate limits of the City. Oversight assumes no fiscal impact from this provision.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, local election authorities, counties, county assessors, county circuit clerks, police departments, fire protection districts and utility districts were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

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 2027 (10 Mo.)	FY 2028	FY 2029
	<b><u>\$0</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><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

The proposed legislation appears to have no direct fiscal impact.

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 Natural Resources  
Missouri Department of Transportation  
Office of the Secretary of State  
City of Kansas City  
City of Osceola  
Jackson County Election Board  
Kansas City Election Board  
Platte County Board of Elections  
St. Louis City Board of Elections  
St. Louis County Board of Elections  
St. Louis City Assessor's Office  
Branson Police Department  
Kansas City Police Department  
St. Louis County Police Department  
Howard County C-PWSD #1  
Metropolitan St. Louis Sewer District  
Osceola Water/Wastewater District  
South River Drainage District  
Wayne County PWSD #2  
Office of the State Courts Administrator



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May 28, 2026



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May 28, 2026