

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6000H.011  
 Bill No.: HB 2651  
 Subject: Taxation and Revenue - Property; Property, Real and Personal; Political Subdivisions  
 Type: Original  
 Date: February 10, 2026

Bill Summary: This proposal modifies provisions governing local property tax ballot questions, real property assessments, and property tax levies.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

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

\*Oversight notes the above unknown cost to GR represents the estimated increased costs for November ballot issues. The above unknown savings to GR represents the estimated savings from shifting elections to November. Oversight cannot estimate the net effect on General Revenue with the information available. The unknown savings to unknown cost could exceed the \$250,000 threshold.

**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>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>

\*Oversight cannot reasonably estimate the net effect on local political subdivisions with the information available.

## FISCAL ANALYSIS

### ASSUMPTION

#### §67.457 - Neighborhood Improvement Districts

In response to similar legislation, HB 2780 (2026), officials from the **Department of Revenue (DOR)** noted this proposal repeals the duplicated language regarding neighborhood improvement districts. This will not fiscally impact DOR.

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

§§66.265, 67.799, 67.990, 67.1422, 67.1531, 67.1551, 67.1880, 68.235, 68.250, 71.800, 71.802, 80.460, 90.500, 92.010, 92.031, 92.035, 94.060, 94.070, 94.250, 94.260, 94.340, 94.350, 94.400, 95.150, 95.390, 137.037, 162.223, 162.441, 162.840, 164.021, 164.151, 167.231, 178.881, 182.010, 182.015, 182.020, 182.030, 182.100, 182.140, 182.650, 182.655, 182.715, 182.717, 184.350, 184.351, 184.353, 184.357, 184.359, 184.600, 184.604, 184.614, 190.040, 190.065, 190.074, 190.296, 198.260, 198.263, 198.310, 204.250, 205.563, 205.979, 206.070, 206.120, 210.860, 233.172, 233.200, 233.345, 233.455, 233.460, 233.510, 235.175, 238.232, 247.130, 247.350, 247.470, 249.110, 249.929, 249.1106, 249.1150, 250.060, 256.445, 257.370, 262.598, 263.452, 263.472, 321.225, 321.240, 321.241, 321.243, 321.244, 321.460, 321.610, 321.620, 650.399, 650.408 - Property Tax Election Dates

**Oversight** notes any election in any political subdivision of this state for a tax, bond, or levy shall be held on the general election day. As a result, the state's proportional share is expected to decrease in multiple jurisdictions, yet the overall cost of the election may increase. Therefore, Oversight will reflect a potential unknown savings to an unknown cost in FY27 on the fiscal note.

Oversight notes due to the proposal shifting the taxing issues to November, there is a potential for savings in elections costs but is unable to quantify how much. Oversight will show an unknown savings to local election authorities on the fiscal note.

Oversight notes the cost of the November taxing ballot issues could increase in part due to an increase in the number of ballot issues and ballot pages. Oversight will show a potential unknown cost beginning in FY 2027 on the fiscal note.

Oversight assumes some local political subdivisions may face increased costs beginning in the April 2027 election (FY 2028) as less entities share in the proportional cost. Oversight will show a potential unknown cost to local political subdivisions beginning in FY 2028 and recurring biannually for each year thereafter.

.

Beginning in November of 2026 (FY 2027), Oversight assumes some local political subdivisions may see proportional cost savings as more entities would now share in the cost of the tax issues. Oversight will show a potential unknown savings to general revenue and local political subdivisions beginning in FY 2027.

§137.073 — New Construction and Improvements

Officials from the **County Employees' Retirement Fund (CERF)** noted there is insufficient data to quantify this section's exact impact. It may result in an unknown, possibly negative, fiscal impact.

**Oversight** assumes this provision states new construction and improvements will no longer be excluded from the aggregate assessed valuation calculation, as it relates to the Hancock Amendment, setting real property tax levies, and inflationary assessment growth.

Oversight notes property tax revenues are generally designed to be revenue neutral from year to year. The tax levy is adjusted relative to the assessed value to produce roughly the same revenue from the prior year with an allowance for growth.

Oversight notes no longer omitting new construction and improvements from the aggregate assessed value in the rate setting calculation would result in a higher adjusted assessed value (the denominator) relative to the authorized revenues (the numerator) in the rate setting calculation. This would reduce the tax rate applied to total assessed values thereby reducing revenues for all tax entities.

Oversight assumes this proposal could reduce allowable revenue growth for local taxing entities over time.

Oversight notes the Blind Pension Fund (0621) is calculated as an annual tax of three cents on each one hundred dollars valuation of taxable property  $((\text{Total Assessed Value}/100) \cdot .03)$ . Because this proposal alters only components of the rate setting calculation, it does not limit the assessed value portion of this equation, therefore the Blind Pension Fund will not be impacted by this proposal.

§137.079 – Single Tax Rate Requirement

**Oversight** assumes this provision modifies levy certification procedures. Oversight does not anticipate a fiscal impact from this proposal. Therefore, Oversight will reflect a zero impact in the fiscal note.

§137.082 - Rollback Adjustments

Officials from the **County Employees' Retirement Fund (CERF)** noted there is insufficient data to quantify this section's exact impact. It may result in an unknown, possibly negative, fiscal impact.

**Oversight** assumes this provision limits how much revenue local taxing entities may collect following increases in assessed valuation.

Oversight assumes this proposal may potentially limit future revenue growth and the actual fiscal impact is dependent on future assessed valuation increases. Therefore, Oversight will show an unknown loss in revenue to local political subdivisions beginning in FY 2028.

§§137.073 & 137.115 - Levies by Subclass

Officials from the **County Employee Retirement Fund (CERF)** assume there is insufficient data to quantify this section's exact impact. It may result in an unknown, possibly negative, fiscal impact.

**Oversight** assumes this provision could result in potential redistribution of property tax revenues among subclasses. Oversight assumes the fiscal impact on local political subdivisions is dependent upon future assessed valuation growth and levy decisions. Oversight will show an unknown negative or unknown positive impact to local political subdivisions.

Oversight notes the Blind Pension Fund (0621) is calculated as an annual tax of three cents on each one hundred dollars valuation of taxable property ((Total Assessed Value/100)\*.03). Because this proposal alters only components of the rate setting calculation, it does not limit the assessed value portion of this equation, therefore the Blind Pension Fund will not be impacted by this proposal.

§137.115 - Repeal of Opt-Out Provisions from HB 1150 (2002) and SB 960

**Oversight** assumes this provision repeals several opt-out provisions including setting separate levies to be calculated for each subclass of real property, tax rate ceilings, blended tax rates, tax rate calculations, and credit card usage to pay property taxes.

Oversight assumes jurisdictions that previously opted out may experience shifts in tax burden among property subclasses and/or changes in effective levy rates. Therefore, Oversight will show an unknown revenue impact to local political subdivisions beginning in FY 2027.

§137.1050 - SB190 Senior Tax Credit Clarification

In response to similar legislation, HB 2780 (2026), officials from the **Department of Social Services (DSS)** noted §137.1050 has been revised to require counties to implement a property

tax credit when they have the authority to do so. The provisions also apply the tax credit to all property levies, clarify definitions, and introduce new requirements for tax statements.

Blind Pension (BP) is funded from 0.03% (3 cents) of each \$100 assessed valuation of taxable property. Providing a real property tax credit to eligible owner as defined above will affect the growth of the BP fund but will not decrease the current amount collected in the fund. Therefore, there is no fiscal impact to the BP fund for section 137.1050.

In response to similar legislation, HB 2780 (2026), officials from the **St. Louis City Assessor** note the following fiscal impact from the proposed changes to the Senior Tax Freeze Credit to apply to all taxing jurisdictions; currently only the City taxes are frozen.

Current credit (City only)	Credit if all taxing jurisdictions included	Diff in taxes	Fund
\$520,121	\$2,600,605	(\$2,080,484)	Loss to all taxing jurisdictions (except the City)
		\$0	No impact to City (Credit is already being applied)
		(\$31,207)	Loss to Collector of Revenue Fund
		(\$13,003)	Loss to Assessment Fund

In response to similar legislation, HB 2780 (2026), officials from the **County Employees' Retirement Fund (CERF)** noted that there is insufficient information to quantify the exact impact but CERF assumes that the impact would be negative.

**Oversight** will show an unknown, negative fiscal impact to local political subdivisions from this provision.

Responses regarding the proposed legislation as a whole

Officials from the **High Point R-III School District** assume the proposal will have a fiscal impact but did not provide any additional information.

Officials from the **Adair County SB 40 Board** assume a reduction in funding from personal and/or real property taxes would have a direct and significant impact on the essential supports provided by the Adair County SB40 Developmental Disability Board. SB40 funding enables the board's local system to assess community needs and sustain a coordinated network of services that currently support approximately 465 individuals with intellectual and developmental disabilities and their families across Adair County.

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 **Callaway County SB 40 Board** assume House Bill 2651 proposes extensive changes to Missouri's local property tax framework, including revisions to ballot language, levy approvals, assessment procedures, rollback requirements, and voter authorization standards. While HB 2651 does not directly reduce tax rates, it imposes additional structural and administrative constraints on the ability of local taxing entities to maintain stable and predictable property tax revenue.

Senate Bill 40 organizations, including Callaway County Special Services (CCSS), rely on personal and real property tax levy revenue to assess local needs and sustain essential, community-based services for more than 230 individuals with intellectual and developmental disabilities (IDD) and their families in Callaway County.

Increased limitations on property tax levies and added voter approval requirements under HB 2651 would heighten fiscal uncertainty for levy-dependent SB40 boards and reduce their ability to respond to inflation, workforce pressures, and growing service demand. Any erosion of property tax revenue would directly affect services such as employment supports, transportation, inclusive community-based programs, and essential family resources.

Officials from the **Office of Administration - Budget and Planning, Department of Social Services, Newton County Health Department, Kansas City Police Department, St. Louis County Police Department, St. Louis City Assessor**, and the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Savings</u> - (Various Sections) Shifting elections to November p.4	Unknown	\$0	\$0
<u>Cost</u> - (Various Sections) Increased cost for November ballot issues p.4	(Unknown)	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Unknown) to <u>Unknown</u></b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Savings</u> – Local Election Authorities (Various Sections) Shifting elections to November p.4	\$0	Unknown	\$0
<u>Cost</u> - Local Election Authorities (Various Sections) Increased ballot length in November elections p.4	(Unknown)	\$0	\$0
<u>Savings</u> - (Various Sections) Decrease in proportional cost for November election to locals p.4	Unknown	\$0	\$0
<u>Cost</u> - (Various Sections) Increase in proportional cost for April election to locals p.4	\$0	(Unknown)	\$0
<u>Revenue Loss</u> - (\$137.073) New construction and improvements no longer omitted from adjusted assessed value calculation p.4	\$0	(Unknown)	(Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Cost – Counties Various Sections) To administer the changes rom this proposal p.4</u>	\$0	(Unknown)	(Unknown)
<u>Revenue Loss – (\$137.082) Rollback adjustments p.5</u>	\$0	(Unknown)	(Unknown)
<u>Revenue Loss/Gain – (§§137.073 &amp; 137.115) Subclass levy changes p.5</u>	\$0	(Unknown) to Unknown	(Unknown) to Unknown
<u>Revenue Loss (\$137.1050) SB190 Senior Tax Credit changes p.6</u>	\$0	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>(Unknown) to <u>Unknown</u></b>	<b>(Unknown) to <u>Unknown</u></b>	<b>(Unknown) to <u>Unknown</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, certain counties, cities, political subdivisions, or other taxing districts can propose the imposition, continuation, modification, or elimination of a property tax to the voters at certain times of the year.

This bill provides that these proposals must be submitted to the voters at the general election in November. This bill provides that new construction and improvements will no longer be excluded from the aggregate assessed valuation calculation, as it relates to the Hancock Amendment, setting real property tax levies, inflationary assessment growth, and adjusted tax rate ceilings.

Currently, any political subdivision that received approval for a tax rate increase can levy a property tax rate to collect substantially the same amount of tax revenue as the amount of revenue that would have been derived by applying the voter approved increased tax rate ceiling to the total assessed valuation of the political subdivision. However, the tax rate must not exceed the greater of the most recent voter-approved rate or the most recent adjusted voter-approved rate.

The bill removes mention of the single tax rate in the exception and provides that the rates of levy for each subclass of real property, individually, and personal property, in the aggregate, must not exceed the greater of the most recent voter-approved rate or most recent adjusted voter approved rate. Currently, if the tax revenue from various tax rates is different than the tax revenue that would have been determined from a single tax rate, then the political subdivision must revise the tax rates of those subclasses of real property, individually, and/or personal property, in the aggregate that had a tax rate reduction. This revision must yield an amount equal to the difference and must be apportioned among the subclasses of real property, individually, and/or personal property, in the aggregate, based on the relative assessed valuation of the class or subclasses that experienced the tax rate reduction. Additionally, for school districts that levy separate tax rates on each subclass of real property and personal property in the aggregate, or that had voter-approved ballots that set or increased the subclass rates differently prior to 2011, a blended tax rate must be used to calculate the single tax rate.

This bill repeals this language. Political subdivisions are no longer required to compare revenues generated by multiple levies to a single-rate baseline or to adjust multiple levies based on a single-rate baseline.

As it relates to setting property tax rates, the bill repeals mention of a single property tax rate and replaces such language with that relating to multiple tax rates.

Currently, any county and city not within a county can opt-out of implementing the provisions of certain sections of HB 1150 (2002), and certain provisions of SB 960, which include setting separate levies to be calculated for each subclass of real property and for personal property using the assessed valuation for each class of real property and of personal property. Any county and city not within a county can also opt-out of implementing certain provisions of HB 1150 (2002) and certain provisions of SB 960 as they relate to tax rate ceilings, blended tax rates, tax rate calculations, and credit card usage to pay property taxes.

This bill repeals the references to the provisions of HB 1150 (2002) and SB 960 (2004), as well as the corresponding procedures to opt-out of or to implement such provisions. The bill requires that, beginning January 1, 2027, each county and city not within a county determine the assessed valuation, set and revise rates of levy, and make adjustments to current levies for each subclass of real property, individually, and personal property, in the aggregate.

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  
Newton County Health Department

L.R. No. 6000H.011

Bill No. HB 2651

Page **11** of **11**

February 10, 2026

Kansas City Police Dept.

St. Louis County Police Dept

High Point R-III School District

Adair County SB 40 Board

Boone County SB 40 (Boone County Family Resources)

Callaway County SB 40 Board



Julie Morff

Director

February 10, 2026



Jessica Harris

Assistant Director

February 10, 2026