

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6035H.02P
 Bill No.: Perfected HCS for HJR 169
 Subject: Taxation and Revenue - General; Constitutional Amendments; Department of Revenue
 Type: Original
 Date: February 25, 2026

Bill Summary: This proposal proposes a constitutional amendment relating to restrictions on state revenue.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue**/*	\$0 or Could exceed (\$11,000,000)	\$0 or Could exceed (\$2,000,000) to Unknown	\$0 or Could exceed (\$2,000,000) to Unknown
Total Estimated Net Effect on General Revenue	\$0 or Could exceed (\$11,000,000)	\$0 or Could exceed (\$2,000,000) to Unknown	\$0 or Could exceed (\$2,000,000) to Unknown

*Oversight notes the potential savings to the General Revenue Fund are from cost avoidance if appropriation authority of the General Assembly is limited by this proposal (pending voter approval). Oversight assumes this fiscal impact could be significant.

**Oversight notes the potential cost to the General Revenue Fund is from excess revenues potentially refunded (pending voter approval). Oversight assumes this fiscal impact could be significant.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Other State Funds*	\$0	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
Blind Pension Fund (1621)	\$0 or (Unknown)	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
Local Tax Matching Fund (1930)	\$0 or (Unknown)	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Federal Funds*	\$0	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight notes the potential loss to federal funds if state matching funds are limited by this proposal (pending voter approval).

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** performed a limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of additional information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

HJR – Taxpayer Protection Act

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this proposal would limit state and local spending and revenue growth beginning FY28. This proposal would also make the following changes:

- Limit annual state spending to inflation plus the change in population. B&P notes that this proposal does not limit the calculation to only increases in inflation and population growth. Therefore, deflation or population loss could result in a lower spending limit in subsequent years.
- Requires all state and local tax increases to be voter approved prior to enactment. B&P notes that currently, the general assembly can increase taxes up to the limit allowed in Article X, Section 18(e). The current limit for the 2026 legislative session is \$154,686,530. In addition, the existing limit allows the general assembly to offset tax increases with tax reductions. This proposal would no longer allow such offsets.
- Requires all state and local bond issuances to be voter approved before a sale can occur.
- Limits local district spending to inflation only. B&P notes that this proposal does not limit “inflation” to increases in consumer prices. Therefore, deflation could result in a lower spending limit in subsequent years.
- Limits property tax revenue to inflation. B&P notes that this proposal does not limit “inflation” to increases in consumer prices. Therefore, deflation could result in a lower revenue limit in subsequent years.
- Requires any revenue received in excess of spending limits to be refunded by the state and local districts the fiscal year after it was received.
- Requires additional revenue to be reserved for emergencies. In FY28, state and local districts must reserve 1% of spending. In FY29, state and local districts must reserve 2% of spending. Beginning FY30, state and local districts must reserve 3% of spending.

- Sets the base spending limit year to FY28 for state and local districts.
- Sets the base revenue limit year to 2025 for property taxes. B&P notes that this proposal would not receive voter approval until November 2026 and would not become effective until January 2027. Tax year 2026 property taxes are due by December 31, 2026.

Therefore, it is possible that property tax revenue would be limited to an amount lower than what was generated during tax year 2026. This could result in lost revenue to the Blind Pension Trust Fund (statewide levy of \$0.03 per \$100 value) and local property tax funds.

- Allows districts to end property taxes on business personal property.
- Requires property assessments to be based on market value only.
- Allows local districts to stop all state mandated programs except for education.

Officials from the **Department of Revenue (DOR)** note this is a constitutional amendment that would go to the voters at the November 2026 general election. If the amendment fails to be adopted, it will not have any fiscal impact. If adopted, it would change how tax laws would be implemented in the future. If this amendment passes, it will become effective January 1, 2027.

This proposal would require a vote of the citizens for all new taxes, tax rate increases, mill levy increases, valuation for assessment increases, extension of an expiring tax or a tax policy change directly causing a net tax revenue gain for the state. DOR notes that several tax credits have sunset dates that if not reauthorized would cause tax revenue to increase. It is unclear from this proposal if that action would be considered a tax policy change that would trigger the requirement to take individual income tax or corporate tax to the ballot.

DOR assumes that SOS would be able to provide an estimate of the cost to send all these tax issues to the ballot. Additionally, some of the tax types listed above have to do with property tax and therefore, the State Tax Commission and the County Assessors would have to provide those impacts. DOR defers to them for fiscal impact.

DOR assumes this proposal if adopted could impact state revenue. But that impact would be based on how the citizens of the state voted. DOR assumes no impact from allowing citizens to vote on each tax.

Officials from the **Missouri Department of Conservation** assume an unknown fiscal impact. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. The Department defers to the Department of Revenue as it is responsible for tax collection and would be better able to estimate the anticipated fiscal impact that would result from this proposal.

Officials from the **Department of Mental Health (DMH)** assume this proposal adds new section 20(a) to Article X of the Missouri Constitution, to be known as the "Taxpayer Protection Act." The new section takes effect January 1, 2027. The proposal limits state spending to the

inflation plus the percentage change in state population. For counties and political subdivisions, spending is limited to inflation plus local growth as defined. State or local revenue received in excess of specified spending limits must be refunded in the next fiscal year unless voters approve a revenue change as an offset. All state and local tax increases must be voter approved prior to implementation. This includes “any new tax, tax rate increase, mill levy above the rate for the prior year, valuation for assessment ratio increase for a property class, extension of an expiring tax, or a tax policy change directly causing a net tax revenue gain to any district; and...creation of any multiple fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.” Specific ballot language is required. Surcharges and fees cannot be implemented to avoid the limits set in the proposal and such revenues must be included in the required calculations for revenue limits. Revenues from tax abatements must also be included in calculations for revenue limits. New or increased transfer tax rates on real property are prohibited. No new state real property tax or local district income tax shall be imposed. Except for elementary and secondary education requirements for public schools, local districts may reduce or end its subsidy of any program delegated to it by the general assembly.

This proposal could reduce county revenues. Any reduction to county revenues affects revenues deposited in the Department of Mental Health (DMH) Local Tax Matching Fund that are utilized for substance use treatment and Mental health community programs for adults and youth. Reduced revenue to counties also affects county SB 40 boards who are the primary payer of tax-supported services that are not Medicaid eligible.

In general, county boards use their revenue 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. FY26 projections show SB 40 boards paying in approximately \$1,217,767 in Medicaid match payments for targeted case management and Partnership for Hope waiver. Additionally, local match funding supports services in designated counties that 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 is estimated to be \$1,883,900 annually.

Reductions to county revenues may reduce Medicaid services or limit a county board from keeping up with inflationary growth. If counties can no longer support their Medicaid obligations for developmental disability services or county match programs that support adult mental health and substance use disorder populations, DMH will need additional funding to continue supporting individuals accessing services as these dollars will no longer be available for state match.

The Department of Mental Health estimates the fiscal impact to be approximately \$3,101,667 for FY27, FY28, and FY29 to cover county match payments which is based on FY26 projections. It is assumed this amount would increase due to inflationary growth; therefore, the fiscal impact may increase but is difficult to estimate at this time.

In addition, DMH defers to Office of Administration Budget and Planning for impact related to total state revenue reduction.

Officials from the **State Tax Commission, Office of Administration - Administrative Hearing Commission, Department of Commerce and Insurance, Department of Economic Development, Department of Public Safety (Division of Alcohol and Tobacco Control, Fire Safety, Director's Office, Gaming Commission, Veterans Commission, State Emergency Management Agency), Department of Social Services, Office of the Governor, Missouri Department of Agriculture, Missouri Department of Transportation, Missouri National Guard, MoDOT & Patrol Employees' Retirement System, Petroleum Storage Tank Insurance Fund, Office of the State Public Defender, Office of the State Treasurer, University of Missouri System, St. Louis County Board of Elections, Platte County Board of Elections, Newton County Health Department, St. Louis County Police Department, Kansas City Police Department, Office of the Lieutenant Governor, Missouri House of Representatives, and Missouri Senate** 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 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.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Higher Education and Workforce Development, Department of Health and Senior Services, Department of Public Safety-Missouri Highway Patrol and Department of Corrections** defer to the Office of Administration for the potential fiscal impact of this proposal.

Officials from the **Department of Natural Resources** defer to the Department of Revenue for the potential fiscal impact of this proposal.

In response to a previous version, HJR 169 (2026), officials from the **St. Louis City Board of Elections** and the **Office of the State Auditor** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight does not have information to the contrary and therefore, Oversight will reflect the an unknown loss to the DMH Local Tax Matching Fund.

Oversight notes the following spending authority operating totals according to the 2025 Budget Fast Facts [report](#):

General Revenue	\$14,059,466,330
Federal Funds	\$17,649,244,939
Other Funds	\$9,266,653,810
TOTAL	\$40,975,365,080

Oversight notes the following spending authority amounts from FY 2015 to FY 2025 per the [Budget Fast Facts](#):

Spending Authority - Operating Total

Fiscal Year	General Revenue	% Change	Federal Funds	% Change	Other State Funds	% Change
FY 2015	8,699,393,636	N/A	8,586,505,770	N/A	8,845,623,626	N/A
FY 2016	8,854,825,360	1.8%	8,638,730,018	0.6%	8,535,220,982	-3.5%
FY 2017	9,526,396,598	7.6%	9,078,330,242	5.1%	8,653,400,793	1.4%
FY 2018	9,367,307,893	-1.7%	9,250,792,127	1.9%	9,092,186,619	5.1%
FY 2019	9,425,983,507	0.6%	9,497,895,008	2.7%	9,377,311,544	3.1%
FY 2020	10,110,992,996	7.3%	9,851,393,416	3.7%	9,698,133,572	3.4%
FY 2021	10,008,035,292	-1.0%	14,755,905,165	49.8%	10,516,644,381	8.4%
FY 2022	10,427,854,946	4.2%	14,184,101,561	-3.9%	10,350,616,534	-1.6%
FY 2023	12,084,286,014	15.9%	23,574,743,695	66.2%	11,468,044,528	10.8%
FY 2024	15,221,017,356	26.0%	24,291,613,117	3.0%	12,333,832,071	7.5%
FY 2025	14,948,248,625	-1.8%	24,033,697,397	-1.1%	11,485,732,808	-6.9%

Oversight assumes this resolution, if approved by voters, would cap annual growth in state fiscal year spending to inflation plus population growth, adjusted only for voter-approved revenue changes.

Oversight notes according to the [US Census Bureau](#), the state population increased by approximately 0.40% from 2024-2025. Oversight assumes population growth may vary from year to year and may decline in future periods.

Oversight will show the proposed spending limit on appropriated funds as cost avoidance to the general revenue fund, federal funds, and various state funds, pending voter approval.

Oversight is unable to determine future growth/decline for the state population or future available funds. Therefore, Oversight will show the potential cost avoidance as a range of \$0 (not approved by voters) or an unknown amount no longer appropriated beginning in FY 2028.

Oversight assumes this resolution requires excess revenues to be refunded or offset.

Oversight is unable to determine if/when these refunds could occur or the amount of revenue surplus. Therefore, Oversight will show a range of \$0 (not approved by voters), or a negative unknown amount potentially refunded from general revenue/local political subdivisions beginning in FY 2028.

Oversight notes this proposal requires each local government district, as defined in the resolution, to maintain minimum emergency reserves equal to a percentage of fiscal year spending, excluding bonded debt service. Oversight notes the proposed reserve requirements as follows:

- FY 2028: one percent or more
- FY 2029: two percent or more
- FY 2030 and thereafter: three percent or more

Oversight assumes local government districts that do not currently maintain reserve balances at the required levels would be impacted by this resolution (pending voter approval).

Oversight is unable to determine the number of local government districts currently maintaining reserves below the required thresholds or the total amount of additional reserves that would be required. Therefore, Oversight will show the fiscal impact as \$0 (not approved by voters) to a positive unknown amount of local funds restricted as emergency reserves beginning in FY 2028.

Oversight will show a potential loss to the Blind Pension Fund and local political subdivisions if property tax revenues are limited to inflation.

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.

In addition, the **SOS** state this bill would require the state to mail notices to all voter households statewide whenever it places a measure on the ballot to create, extend, or increase any tax. As this is not a regular occurrence, the exact fiscal impact cannot be calculated. However, given the number of registered voters statewide and the current cost of postage (both of which will only increase as time passes), the SOS estimates that each time a mailing is necessary the cost will exceed \$2,000,000.

Oversight does not have information to the contrary. Oversight will reflect the costs for mailing notices as provided by the Office of the Secretary of State in the fiscal note.

In response to a previous version, HJR 169 (2026), officials from the **Office of the State Courts Administrator** assumed there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

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

In response to a previous version, HJR 169 (2026), officials from the **Springfield-Greene County Library District** assumed the intent of this bill is to flatten revenue growth to near zero and requires taxing entities to seek approval of tax payers to increase revenue to cover ongoing cost. This is very similar to proposition 13 in California that is devastating local service agencies. The end result was a constant reduction of services over years. To offset the loss of revenue, service agencies turned to fee-based charges to survive. This bill will significantly restrict and devalue the services the Library District can provide for its constituents.

Officials from the **Adair County SB 40 DD 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.

In response to a previous version, HJR 169 (2026), officials from the **Callaway County SB 40 Board** assumed House Joint Resolution 169 proposes a constitutional amendment imposing strict voter-controlled limits on state and local revenue, spending, taxation, and debt. The resolution would cap local property tax revenue growth, require voter approval for most levy increases or extensions, mandate refunds of excess revenue, and allow local districts to reduce or end state-delegated programs when funding is constrained.

For Senate Bill 40 organizations such as Callaway County Special Services (CCSS), this creates a substantial fiscal and operational risk. CCSS relies primarily on local personal and real property tax revenues to fund essential support for more than 230 individuals with intellectual and developmental disabilities (IDD) and their families. In Callaway County, personal property taxes account for approximately 27.24% of the SB40 developmental disability levy. Under HJR 169, CCSS would face structural limits on revenue growth that may not keep pace with inflation, service demand, or regulatory cost increases.

In response to a previous version, HJR 169 (2026), officials from **Republic R-III School District** assumed this bill would absolutely cost districts more money for each election. Right now, Republic Schools pays approximately \$20,000 to have an election for school Board. This would require the district to US mail to all registered voters the details of any tax election. The district estimates that adding another \$5,000 to the cost of the election. The District has about 5,300 students. There are more than 500 school districts across the state with some larger and some smaller. This would cost Missouri taxpayers considerably each year. Additionally, there are parts of this Bill that would likely require additional staff for the assessor and the collector.

In response to a previous version, HJR 169 (2026), officials from the **Branson Police Department** assumed this proposal has the potential to have negative fiscal impacts on the "public-safety taxes" that several communities have voted for.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions 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 **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 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<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 \$9,000,000)	\$0	\$0
<u>Cost – Refunds of excess revenue, if approved by voter</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost Avoidance – Spending cap, if approved by voters</u>	\$0	\$0 or Unknown	\$0 or Unknown
<u>Cost – Administrative costs to issue refunds if approved by voters</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – SOS – Mailing election notices, if approved by voters</u>	\$0 or Could exceed (\$2,000,000)	\$0 or Could exceed (\$2,000,000)	\$0 or Could exceed (\$2,000,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or Could exceed (\$11,000,000)	\$0 or Could exceed (\$2,000,000) to Unknown	\$0 or Could exceed (\$2,000,000) to Unknown
FEDERAL FUNDS			
<u>Loss – Loss of revenue from limit on state matching funds</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	\$0	\$0 or (Unknown)	\$0 or (Unknown)
BLIND PENSION FUND (1621)			
<u>Revenue Loss – Property tax revenue limited, if approved by voters</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Cost – Refunds of excess revenue, if approved by voters</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost Avoidance – Spending cap, if approved by voters</u>	\$0	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON BLIND PENSION FUND (1621)	\$0 or (Unknown)	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
LOCAL TAX MATCHING FUND (1930)			
<u>Revenue Loss – County tax revenue limited, if approved by voters</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – Refunds of excess revenue, if approved by voters</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost Avoidance – Spending cap, if approved by voters</u>	\$0	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON LOCAL TAX MATCHING FUND (1930)	\$0 or (Unknown)	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
OTHER STATE FUNDS			
<u>Cost Avoidance – Spending cap, if approved by voters</u>	\$0	\$0 or Unknown	\$0 or Unknown
<u>Cost – Refunds of excess revenue, if approved by voters</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	\$0	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - Local Election Authorities Reimbursement of election costs by the State for a special election	\$0 or More than \$9,000,000	\$0	\$0
<u>Cost</u> - Local Election Authorities Cost of a special election if called for by the Governor	\$0 or (More than \$9,000,000)	\$0	\$0
<u>Cost Avoidance</u> – Spending cap, if approved by voters	\$0	\$0 or Unknown	\$0 or Unknown
<u>Revenue Loss</u> – Property tax revenue limited, if approved by voters	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – Refunds of excess revenue, if approved by voters	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – Administrative costs to implement/issue refunds if approved by voters	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost Avoidance</u> – Emergency reserve requirements, if approved by voters	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>

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 establishes the Taxpayer Protection Act.

The provisions of this amendment must be in addition to the limits, requirements, and other provisions of the Hancock Amendment. Other limits on district revenue, spending, and debt must only be modified by future voter approval.

This amendment provides further provisions related to individual or class action enforcement suits.

The amendment provides that, when annual district revenue is less than annual payments on certain general obligations, certain requirements for districts must be suspended to address the deficiency. This amendment provides that ballot issues brought under certain requirements must be decided in a regularly scheduled state general election, general municipal or local district election, or on the first Tuesday after the first Monday in November of odd-numbered years. Any district, as defined in the amendment, may consolidate certain ballot issues and voters may approve a delay of up to four years in voting on ballot issues.

At least 30 days before a ballot issue election brought under the requirements of the amendment, the district must mail a title notice or set of notices addressed to all registered voters at each address of one or more active registered electors. Title notices must have a certain order of preference and must include certain information.

Among other requirements, the title notices must include district estimates of the maximum dollar amount of each tax increase and of the district's fiscal year spending without the increase for the first full fiscal year of each proposed tax increase. Except by later voter approval, if a tax increase or fiscal year spending exceeds any such district estimates, the tax increase must be reduced by up to 100% in proportion to the combined dollar excess, and the combined excess revenue must be refunded in the next fiscal year. This excludes emergency tax revenue.

For proposed district bonded debt, title notices must also include information related to the principal amount, the principal balance and repayment costs. The district's bonded debt must not be issued on terms that could exceed its share of the maximum repayment costs.

Ballot titles for tax or bonded debt increases must include specified language. With two exceptions, as specified in the amendment, a district must have voter approval in advance for any:

- 1) New tax;
- 2) Tax rate increase;
- 3) Mill levy above the rate of the prior year;
- 4) Valuation for assessment ratio increase for a property class;
- 5) Extension of an expiring tax; or
- 6) Tax policy change directly causing a net tax revenue gain to any district; and
- 7) Creation of multi-fiscal-year direct or indirect district debt or financial obligation without adequate cash reserves

Each district must reserve a certain amount of its fiscal year spending, not including bond debt service, for fiscal year 2028, fiscal year 2029, and every fiscal year thereafter to be only used during declared emergencies.

This amendment prohibits emergency property taxes. Emergency taxes must be spent on specified conditions.

The maximum annual percentage change in state fiscal year spending, the maximum annual percentage change in each local district's fiscal year spending, and the maximum annual percentage change in each local district's property tax revenue must be calculated as specified in the amendment. The calculations for maximum annual percentage change in state fiscal year spending, local district's fiscal year spending, and local district's property tax revenue are to be adjusted by voter approved revenue changes. The calculations for the maximum annual percentage change in a local district's fiscal year spending and local district's property tax revenue are to also be adjusted by certain reductions specified in the amendment. These calculations exclude emergency tax revenue.

If revenue exceeds these maximums for a given fiscal year, the excess must be refunded in the next fiscal year unless voters approve a revenue change as an offset.

The amendment sets the initial district bases to the current fiscal year spending and property tax collected for tax year 2025. The district bases and limitations to spending and property tax revenue are adjusted by enterprise status and changes to bonded debt. Certain changes are exceptions to and separate from any district base.

This amendment prohibits new or increased transfer tax rates on real property, new state real property taxes, and new local district income taxes. The amendment provides that neither an income tax rate increase nor a new state definition of taxable income can be applied before the next tax year.

This amendment requires valuation notices to be mailed annually and allows such valuations to be appealed annually. Additionally, property tax bills and valuation notices must include the actual value, as specified in the amendment.

The amendment provides that, with exceptions as specified in the amendment, a local district is allowed to reduce or end its subsidy to any program delegated to it by the General Assembly for administration.

The General Assembly may enact laws to implement the provisions of this amendment.

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
Office of the State Treasurer
Attorney General's Office
Office of Administration - Administrative Hearing Commission
Department of Commerce and Insurance
Department of Economic Development
Department of Public Safety
Fire Safety
Director's Office
Gaming Commission
Veterans Commission
State Emergency Management Agency
Department of Social Services
Office of the Governor
Missouri Department of Agriculture
Missouri Department of Transportation
MoDOT & Patrol Employees' Retirement System
Petroleum Storage Tank Insurance Fund
University of Missouri System
St. Louis City Board of Elections
Newton County Health Department
St. Louis County Police Department
Office of the Lieutenant Governor
Missouri Senate
Department of Corrections
Platte County Board of Elections
St. Louis County Board of Elections
Kansas City Police Department
Office of the State Auditor
Office of Administration - Budget and Planning (B&P)
Department of Revenue (DOR)
Missouri Department of Conservation
Department of Mental Health
Office of the Secretary of the State (SOS)
Office of the State Courts Administrator
City of Kansas City
Springfield-Greene County Library District
Branson Police Department

L.R. No. 6035H.02P
Bill No. Perfected HCS for HJR 169
Page **19** of **19**
February 25, 2026

Adair County SB 40 DD Board
Boone County SB 40 (Boone County Family Resources)
Callaway County SB 40 Board
Republic R-III School District
Joint Committee on Administrative Rules



Julie Morff
Director
February 25, 2026



Jessica Harris
Assistant Director
February 25, 2026