

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6099H.011  
Bill No.: HB 3115  
Subject: Taxation and Revenue - Property; Property, Real and Personal; Counties  
Type: Original  
Date: February 6, 2026

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Bill Summary: This proposal modifies provisions governing homestead property tax credits.

**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 or (Unknown)</b>

\*Oversight notes that the proposal changes Jasper and Newton Counties from 5% Counties to 0% Counties.

**FISCAL ANALYSIS**

**ASSUMPTION**

**§137.1055 – Homestead Property Tax Credits**

**Oversight** notes this proposal requires certain counties to vote, at the municipal election in April of 2028, on whether they would like to prevent the real property tax liability on an eligible taxpayer's homestead from increasing above the liability incurred during the 2024 tax year when calculating the homestead property tax credit.

Oversight assumes this proposal applies to Jasper and Newton Counties. Oversight notes under current law, SB 3 (2025), these counties would cap increases in property tax bills at 5% or the rate of inflation, whichever is greater (pending voter approval).

This proposal allows Jasper and Newton counties to have no year-to-year increases in their tax liability (pending voter approval).

Oversight assumes this proposal will have a negative fiscal impact on Jasper and Newton County (pending voter approval). Therefore, Oversight will show a range of \$0 (not approved by voters) to an unknown loss of revenue to qualifying counties.

Officials from the **Office of Administration-Budget and Planning, Department of Social Services**, 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.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, officials from Newton and Jasper County 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.

<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>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue Loss - Jasper County</u> (§137.1055) Changes to homestead property tax credits (5% to 0% cap) p.3	\$0	\$0	\$0 or (Unknown)
<u>Revenue Loss - Newton County</u> (§137.1055) Changes to homestead property tax credits (5% to 0% cap) p.3	<u>\$0</u>	<u>\$0</u>	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b>\$0</b>	<b>\$0 or (Unknown)</b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill requires certain counties to vote, at the municipal election in April of 2028, on whether they would like to prevent the real property tax liability on an eligible taxpayer's homestead from increasing above the liability incurred during the 2024 tax year when calculating the homestead property tax credit.

Currently, this bill applies to Jasper and Newton counties.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Office of Administration-Budget and Planning  
Department of Social Services  
State Tax Commission

Julie Morff  
Director

A handwritten signature in black ink, appearing to read "Jessica Harris".

Jessica Harris  
Assistant Director  
February 6, 2026