

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6254H.011
 Bill No.: HB 2809
 Subject: Taxation and Revenue - Sales and Use; Political Subdivisions; Department of Revenue; Parks and Recreation
 Type: Original
 Date: April 8, 2026

Bill Summary: This proposal authorizes a sales and use tax exemption for campground rentals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	Could exceed (\$1,497,220)	Could exceed (\$1,996,294)	Could exceed (\$1,996,294)
Total Estimated Net Effect on General Revenue	Could exceed (\$1,497,220)*	Could exceed (\$1,996,294)	Could exceed (\$1,996,294)

*Oversight notes the fiscal impact for FY2027 is lesser because FY2027 is a partial year (9 months).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
School District Trust Fund (1688)	Could exceed (\$499,073)	Could exceed (\$665,431)	Could exceed (\$665,431)
Conservation Commission Fund (1609)	Could exceed (\$62,384)	Could exceed (\$83,179)	Could exceed (\$83,179)
Parks and Soils State Sales Tax Fund(s) (1613 & 1614)	Could exceed (\$49,907)	Could exceed (\$66,543)	Could exceed (\$66,543)
Total Estimated Net Effect on Other State Funds	Could exceed (\$611,364)*	Could exceed (\$815,153)	Could exceed (\$815,153)

*Oversight notes the fiscal impact for FY2027 is lesser because FY2027 is a partial year (9 months).

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

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

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	Could exceed (\$2,345,645)*	Could exceed (\$3,127,527)	Could exceed (\$3,127,527)

*Oversight notes the fiscal impact for FY2027 is lesser because FY2027 is a partial year (9 months).

FISCAL ANALYSIS

ASSUMPTION

§144.052 - Sales and Use Tax Exemption for Certain Campground Rentals

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal would exempt campground rentals from state and local sales taxes starting August 28, 2026. B&P notes that to qualify, a campground must have at least five campgrounds and be used for recreation, camping, travel, or seasonal use. This proposal also includes RV parks within the definition of qualifying campsite.

In FY2025, there were \$76.4 million in taxable sales at campgrounds in Missouri that would become exempt from sales taxes under this proposal.

Table 1: Impacted NAICS and Taxable Sales

<u>NAICS</u>	<u>Description</u>	<u>FY 2025</u>
721211	RV Parks and Campgrounds Recreational and Vacation	\$63,957,275
721214	Camps	\$12,470,426
Total Taxable Sales		\$76,427,701

Therefore, B&P estimates that this proposal could reduce GR by \$2,292,831 annually. This proposal could also reduce local sales tax collections by \$3,592,102 annually.

Table 2: Estimated Impact by State Fund

<u>State Funds</u>	<u>FY 2027</u>	<u>FY 2028+</u>
General Revenue	(\$1,719,623)	(\$2,292,831)
Education (SDTF)	(\$573,208)	(\$764,277)
Conservation	(\$71,651)	(\$95,535)
DNR	(\$57,321)	(\$76,428)
Total State Revenues	(\$2,421,803)	(\$3,229,071)

Table 2 cont.: Estimated Impact by Local Fund

<u>Local Funds</u>	<u>FY 2027</u>	<u>FY 2028+</u>
Local Sales Tax	(\$2,694,077)	(\$3,592,102)

Officials from the **Department of Revenue (DOR)** note starting August 28, 2027, this proposal creates a state and local sales tax exemption for campgrounds. Campgrounds include recreational vehicle parks.

Based on information received by DOR, the department notes that \$66,543,117 in taxable sales from campgrounds in MO was reported in calendar year 2025. Since this proposal starts August 28, 2027, and sales tax is remitted one month behind collection DOR assumes only 9 months of impact in FY 2027.

Fund	FY 2027 (9 MO)	FY 2028+
General Revenue	(\$1,497,220)	(\$1,996,294)
School District Trust	(\$499,073)	(\$665,431)
Conservation Commission	(\$62,384)	(\$83,179)
Park, Soil & Water	(\$49,907)	(\$66,543)
TSR	(\$2,108,585)	(\$2,811,447)
Locals	(\$2,345,645)	(\$3,127,527)

This will require DOR to update the department's forms (\$2,200) and its collection and distribution sales tax systems (\$5,661).

Oversight assumes the Department of Revenue (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight notes officials from B&P and DOR have conducted independent research and both assume this provision will have a direct fiscal impact on state and local revenues. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a fiscal impact that could exceed DOR's estimated impacts in the fiscal note.

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

Oversight notes the Park, Soil, and Water Sales Tax funds are derived from the one-tenth of one percent sales and use tax pursuant to Article IV Section 47 (a) thus DNR's sales taxes are constitutional mandates. Oversight assumes the proposal may decrease the amount of sales tax revenue distributed to this fund. Therefore, Oversight will show DOR's estimates for MDC's funds.

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.

Oversight notes that the Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax of the Missouri Constitution, thus MDC’s sales taxes are constitutional mandates. Oversight assumes the proposal may decrease the amount of sales tax revenue distributed to this fund. Therefore, Oversight will show DOR’s estimates for MDC’s funds.

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

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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (9 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Revenue Loss – (\$144.052) Loss of sales tax revenue from exemption for certain campground rentals p.4</u>	Could exceed <u>(\$1,497,220)</u>	Could exceed <u>(\$1,996,294)</u>	Could exceed <u>(\$1,996,294)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed <u>(\$1,497,220)</u>	Could exceed <u>(\$1,996,294)</u>	Could exceed <u>(\$1,996,294)</u>
SCHOOL DISTRICT TRUST FUND(1688)			
<u>Revenue Loss – (\$144.052) Loss of sales tax revenue from exemption for certain campground rentals p.4</u>	Could exceed <u>(\$499,073)</u>	Could exceed <u>(\$665,431)</u>	Could exceed <u>(\$665,431)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND (1688)	Could exceed <u>(\$499,073)</u>	Could exceed <u>(\$665,431)</u>	Could exceed <u>(\$665,431)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (9 Mo.)	FY 2028	FY 2029
CONSERVATION COMMISSION FUND (1609)			
<u>Revenue Loss</u> – (\$144.052) Loss of sales tax revenue from exemption for certain campground rentals p.4	Could exceed (\$62,384)	Could exceed (\$83,179)	Could exceed (\$83,179)
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND (1609)	Could exceed (\$62,384)	Could exceed (\$83,179)	Could exceed (\$83,179)
PARKS AND SOILS STATE SALES TAX FUNDS (1613 & 1614)			
<u>Revenue Loss</u> – (\$144.052) Loss of sales tax revenue from exemption for certain campground rentals p.4	Could exceed (\$49,907)	Could exceed (\$66,543)	Could exceed (\$66,543)
ESTIMATED NET EFFECT ON PARKS AND SOILS STATE SALES TAX FUNDS (1613 & 1614)	Could exceed (\$49,907)	Could exceed (\$66,543)	Could exceed (\$66,543)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (9 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Loss</u> – (\$144.052) Loss of sales tax revenue from exemption for certain campground rentals p.4	Could exceed (\$2,345,645)	Could exceed (\$3,127,527)	Could exceed (\$3,127,527)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Could exceed (\$2,345,645)	Could exceed (\$3,127,527)	Could exceed (\$3,127,527)

FISCAL IMPACT – Small Business

Certain small campground businesses could be impacted by this proposal.

FISCAL DESCRIPTION

This bill defines “campground” and exempts fees or charges for the rental of lots, buildings, other structures, and amenities in the campground from State and local sales and use tax.

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 Revenue
Department of Natural Resources
Missouri Department of Conservation
City of Kansas City



Julie Morff
Director
April 8, 2026



Jessica Harris
Assistant Director
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