

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6338H.01I
Bill No.: HB 2671
Subject: Taxation and Revenue - Property; County Officials
Type: Original
Date: January 26, 2026

Bill Summary: This proposal modifies provisions governing the assessment and taxation of property.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

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

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*	\$0	(Unknown) to Unknown	(Unknown) to Unknown

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

FISCAL ANALYSIS

ASSUMPTION

§§137.073 & 137.115 - Tax Levies by Subclass

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). 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.

§137.115 - 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.

Responses regarding the proposed legislation as a whole

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

In response to a similar proposal, HB 2780 (2026), officials from **Office of Administration - Budget and Planning (B&P)** stated the provisions required all counties to levy property tax rates by real property subclass (residential, agriculture, commercial / utility) and personal property. B&P notes that currently only St. Louis County and the City of Gladstone levy property tax rates based on property class (real versus personal). No jurisdiction currently levies

separate tax rates based on property subclass. This provision is not expected to impact revenues to the Blind Pension Trust Fund.

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 our 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 our 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 **Marion County Library District** assume a fiscal impact but did not provide any additional information.

Officials from the **City of Kansas City, St. Louis City Assessor, Phelps County Sheriff, Kansas City Police Department, St. Louis County Police Department, Kansas City Civilian Police Employees' Retirement, Kansas City Police Retirement System, Public Schools and Education Employee Retirement Systems, Sheriff's Retirement System, and 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, 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 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – Counties (Various Sections) To administer the changes to rate calculation from this proposal p.3</u>	\$0	(Unknown)	(Unknown)
<u>Revenue Loss/Gain – (§§137.073 & 137.115) Subclass levy changes p.3</u>	<u>\$0</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>

FISCAL IMPACT – Small Business

A direct fiscal impact on small businesses could be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation modifies provisions governing the assessment and taxation of property.

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
 County Employees’ Retirement Fund (CERF)
 Kansas City Civilian Police Employees’ Retirement
 Kansas City Police Retirement System
 Public Schools and Education Employee Retirement Systems
 Sheriff’s Retirement System
 Adair County SB 40 DD Board

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Boone County SB 40 (Boone County Family Resources)

Marion County Library District

City of Kansas City

St. Louis City Assessor

Phelps County Sheriff

Kansas City Police Department

St. Louis County Police Department



Julie Morff

Director

January 26, 2026



Jessica Harris

Assistant Director

January 26, 2026