

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6380H.011
Bill No.: HB 2693
Subject: Political Subdivisions; Water Resources and Water Districts
Type: Original
Date: February 22, 2026

Bill Summary: This proposal modifies provisions relating to port authorities.

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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§68.010, 68.015, 68.025, 68.035, 68.040, 68.045, 68.055, 68.057, 68.060, 68.075, 68.085, 68.205 & 68.253 – Port Authorities

Officials from the **Department of Revenue (DOR)** state the following:

§68.010 – 68.253 Port Authorities

Currently statutes allow the creation of port authorities. This proposal appears to modify how port authorities are created and can function. It should be noted that port authorities currently have the right to levy sales and use taxes, as well as property tax.

This proposal would grant port authorities the ability to acquire, own, lease, sell, mortgage and encumber property in adjoining municipalities and even other states. It also allows them to create and operate their own agencies and departments. This would also grant a port authority the right to establish port rangers.

This proposal would grant the port authorities the right to act in lieu of the local governing city council under the Housing Authority program (Section 99.010-99.230), the Land Clearance program (Sections 99.300 – 99.660) and the Urban Redevelopment program (Section 353.010 – 353.190). DOR is unable to determine what fiscal impact this expansion of authority may involve.

This proposal adds language that any department to whom an appropriation is made for a port authority is to advance the funds to the port authority without using a reimbursement basis. This proposal adds language that requires the department to reasonably require the port authority to pay back any money not spent consistent with the provisions in the bill.

DOR notes that if money must be advanced then DOR would not have the time necessary to ensure the money is spent correctly.

This proposal adds language allowing port authority commissioners to be removed for neglect of duties. It also modifies the purchasing authority of the port authorities. These changes will not fiscally impact DOR.

§68.075 - AIM Zone Tax Credit program

This proposal modifies the AIM Zone tax credit program. The current program allows a port authority that creates new jobs to retain 50% of the state withholding tax for those jobs. This program does not have a cap on the amount of withholding retained.

This proposal attempts to modify the definition of “new job” for determining eligibility of the retained withholding. This proposal would allow any job designated by the MO Works program

as a “new job” to be eligible as a new job under the AIM Zone tax credit program, regardless of when that new job was created. DOR notes that the language does not specify that the new job had to be created within the boundaries of the port authority. Therefore, this proposal could potentially increase the amount of withholding retained by the port authorities under the AIM Zone tax credit program. Per a report by DED the AIM Zone project has resulted in approximately 374 new jobs created as of FY 2024 while the MO Works new jobs exceeded 10,980. DOR assumes this proposal would allow the additional 10,980 people’s withholding to be retained by AIM Zones.

DED administers the AIM Zone and MO Works tax credit programs and DOR assumes they would be able to provide the best estimate of the additional loss to general revenue from this proposal.

Oversight assumes §68.035 allows moneys to be appropriated to port authorities instead of on a reimbursement basis. Oversight will show no fiscal impact for this section of the proposal.

Oversight assumes §68.057 raises the cap on procurement requirements for contracts from \$25,000 to \$75,000.

Officials from the **Department of Economic Development, Office of Administration - Budget and Planning, Department of Commerce and Insurance, Department of Labor and Industrial Relations, Department of Public Safety (Office of the Director and Missouri Highway Patrol), Missouri Department of Transportation, Office of Administration, Missouri House of Representatives, Missouri Senate, City of Kansas City** and the **Kansas City Port Authority** 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 cities, counties, and port authorities 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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

According to DOR, small businesses may be impacted by this proposal because §68.075 allows for the retention of withholding tax which may allow for business growth.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

- Department of Revenue
- Department of Economic Development
- Joint Committee on Administrative Rules
- Office of the Secretary of State
- Office of Administration
 - Budget and Planning
 - Office of the Commissioner
- Department of Commerce and Insurance

L.R. No. 6380H.011
Bill No. HB 2693
Page 6 of 6
February 22, 2026

Department of Labor and Industrial Relations
Department of Public Safety
Office of the Director
Missouri Highway Patrol
Missouri Department of Transportation
Missouri House of Representatives
Missouri Senate
City of Kansas City
Kansas City Port Authority



Julie Morff
Director
February 22, 2026



Jessica Harris
Assistant Director
February 22, 2026