

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6496H.011
 Bill No.: HB 2668
 Subject: Taxation and Revenue - Property; Property, Real and Personal; Political Subdivisions; County Officials; Counties
 Type: Original
 Date: January 19, 2026

Bill Summary: This proposal modifies provisions governing property taxes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	More or less than (\$146,286)	(\$29,989)	(\$30,739)
Total Estimated Net Effect on General Revenue	More or less than (\$146,286)	(\$29,989)	(\$30,739)

*Oversight notes §163.021 will require DESE/OA-ITSD to make changes/modifications to the existing Foundation Form (School Finance) application/code.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Blind Pension Fund (1621)	\$0	(Unknown) to Unknown	(Unknown) to Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(Unknown) to Unknown	(Unknown) to Unknown

*Oversight cannot reasonably estimate the net effect on the Blind Pension Fund with the information available. Oversight assumes the impact could exceed \$250,000 threshold. 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	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration-Budget & Planning** did not respond to **Oversight's** request for fiscal impact for this proposal.

Oversight was unable to receive some of the agency responses in a timely manner. Additionally, Oversight received limited responses from local political subdivisions. Oversight has presented this fiscal note using the best current information available. 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.

§67.457 - Neighborhood Improvement Districts

Officials from the **Department of Revenue (DOR)** note this proposal repeals the duplicated language regarding neighborhood improvement districts. This will not fiscally impact DOR.

Oversight does not have any information to the contrary. Officials from the DOR assume the provision will have no fiscal impact on their organization. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§67.496 - "Not Increasing Taxes" Language Prohibited

Officials from the **Department of Revenue (DOR)** note this provision restricts how increases to the tax rate can be described on the ballot. This will not fiscally impact DOR.

Oversight assumes this provision prohibits any political subdivision or election authority from advertising or describing any proposed property tax as a "no tax increase" tax proposal.

Oversight does not anticipate a fiscal impact from this provision. However, Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

§§67.799, 67.1551, 68.250, 71.800, 182.015, 184.351, 184.357, 184.359, 184.604, 205.563, 205.979, 210.860, 233.510, 247.130, 247.350, 247.470, 247.550, 249.1150, 256.445, 321.225, 321.244, 321.460, 321.610, 321.620, & 650.399 - Property Tax Election Dates

Officials from the **Department of Social Services (DSS)** note the proposed legislation in these sections amends provisions relating to election days, tax rates and levies set by local taxing authorities. These provisions do not change the manner in which property is assessed. Therefore, there is no fiscal impact to the Blind Pension Fund.

Officials from the **Platte County Board of Elections** note requiring local questions to be posed only at General Elections will cause multiple page ballots. This will increase costs, doubling paper orders (about \$20,000 per election), as well as being burdensome to poll workers and to voters.

Officials from the **St. Louis County Board of Elections** assume this would substantially increase the length of the ballot for a General Election. Depending on the length of that increase, the board estimates a cost increase of anywhere from \$100,000 to \$250,000. This is due to increased costs of printing, postage and additional election workers

Officials from the **Department of Revenue (DOR)** note this proposal changes the local election date for tax issues to only being held at a general election rather than a primary or special election. These changes will not fiscally impact DOR.

Oversight notes any election in any political subdivision of this state for a tax, bond, or levy shall be held on the general election day. As a result, the state's proportional share is expected to decrease in multiple jurisdictions, yet the overall cost of the election may increase. Therefore, Oversight will reflect a potential unknown savings to an unknown cost in FY27 on the fiscal note.

Oversight notes due to the proposal shifting the taxing issues to November, there is a potential for savings in elections costs but is unable to quantify how much. Oversight will show an unknown savings to local election authorities on the fiscal note.

Oversight notes the cost of the November taxing ballot issues could increase in part due to an increase in the number of ballot issues and ballot pages. Oversight will show a potential unknown cost beginning in FY 2027 on the fiscal note.

Oversight assumes some local political subdivisions may face increased costs beginning in the April 2027 election (FY 2028) as less entities share in the proportional cost. Oversight will show a potential unknown cost to local political subdivisions beginning in FY 2028 and recurring bi-annually for each year thereafter.

Beginning in November of 2026 (FY 2027), Oversight assumes some local political subdivisions may see proportional cost savings as more entities would now share in the cost of the tax issues. Oversight will show a potential unknown savings to general revenue and local political subdivisions beginning in FY 2027.

§137.067- Tax Levies by Political Subdivisions

Oversight does not anticipate a fiscal impact from these provisions. However, Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best information

available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

§§137.016.1(1) & 137.016.1(3) - Classification of Certain Residential Real Property

Officials from the **State Tax Commission (STC)** determined this proposal may have a negative impact on the taxing jurisdictions relying on property taxes as a source of revenue. Current statute allows assessors to assess single family homes as commercial properties if they are regularly rented out for time periods less than a month, and this proposal would require assessors to assess these homes as residential property, which includes a lower rate.

Officials from the **Department of Social Services (DSS)** note §137.016.1(1) and §137.016.1(3) are amended to classify a single-family home leased for less than thirty days and apartment buildings with less than four individual living units as residential property. It further classifies apartment buildings with four or more individual living units, nursing homes and assisted living facilities as commercial property.

Blind Pension is funded from 0.03% (\$.03) of each \$100 assessed valuation of taxable property. According to Missouri State Tax Commissions (STC) this is how these property types are currently assessed. Therefore Family Support Division (FSD) assumes there would be no impact to the Blind Pension fund for the provisions of these sections.

Officials from the **Howell County Assessor** assume a potential cost to Howell County of \$1.5 to \$2 million in lost revenue.

Officials from the **St. Louis City Assessor** note the following fiscal impact from the proposed change in commercial classification on short term rentals to residential classification for single family properties.

Commercial tax	Residential tax	Diff in taxes	Fund
\$2,006,106	\$999,916	(\$1,006,189)	Loss to all taxing jurisdictions
		(\$201,238)	Loss to City of St. Louis
		(\$15,093)	Loss to Collector of Revenue Fund
		(\$6,289)	Loss to Assessment Fund

Officials from the St. Louis City Assessor further note the following fiscal impact from the proposed change to four or more unit residential apartments and nursing homes to commercial classification.

Commercial tax	Residential tax	Diff in taxes	Fund
\$117,508,564	\$58,570,565	\$58,937,998	Increase to all taxing jurisdictions
		\$11,787,600	Increase to City of St. Louis

		\$884,070	Increase to Collector of Revenue Fund
		\$368,362	Increase to Assessment Fund

Oversight notes the following assessment value rates by subclass per the State Tax Commission manual:

Subclass	Rate
(1) residential	19%
(2) agricultural and horticultural	12%
(3) utility, industrial, commercial, railroad, and other property	32%

Oversight is uncertain what proportion of assessed value would be reclassified under this proposal.

Oversight notes local property tax revenues are designed to be revenue neutral from year to year. The tax levy is adjusted relative to the assessed value to produce roughly the same revenue from the prior year with an allowance for growth. However, some taxing entities have tax rate ceilings that are at their statutory or voter approved maximum. For these taxing entities, any decrease in the assessed values would not be offset by a higher tax rate (relative to current law) rather it would result in a loss of revenue.

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).

Oversight notes to reach a revenue impact of \$250,000 on the Blind Pension Fund would require a change in assessed value of approximately \$830,000,000. Based on information from the State Tax Commission’s “2024 Property Tax Burden” report on STC’s [website](#), Oversight notes the following assessed values by category:

Subclass	Assessed Value
Residential	\$82,783,490,689
Commercial	\$16,788,491,912

Oversight notes the reclassification of qualifying properties from 32% to 19% or vice versa could result in a reduction/increase in assessed values and subsequent tax revenues; therefore, Oversight will show an unknown negative or unknown positive impact to the Blind Pension Fund and local political subdivisions.

§137.016.1(4) – True Value of Money

Officials from the **State Tax Commission** note that this provision requires the cost approach to be used to assess real property. Currently, real property can be assessed using the sales approach, income approach or cost approach. The proposal codifies the cost approach as the sole way to

assess all real property, which assesses property at the cost to rebuild it. The sales approach is often considered more reliable for commercial properties, particularly in an active market, because it assesses property by comparing it to investor interest in similar properties. The cost approach, on the other hand, is stronger when you are assessing unique structures or in weaker markets where there isn't a lot of sales activity. In practice, most appraisers, including assessors, often use all three approaches (including the income approach) and reconcile the results, giving more weight to the approach that best fits the specific property and market conditions. This bill would eliminate that practice.

Officials from the **Department of Social Services (DSS)** note §137.016.1(4) is added to define "true value in money" for real property as the actual replacement cost for appraisal and assessment purposes.

Blind Pension is funded from 0.03% (\$.03) of each \$100 assessed valuation of taxable property. According to the Missouri State Tax Commission, there is no impact to the assessment of residential real property, but commercial property assessments will have a negative impact on the BP fund but could not provide how much of an impact it would have.

According to the 2024 [State Tax Commission Annual Report](#), the 2024 total assessed valuation for commercial real property including rural lands and incorporated town lots \$30,764,634,379. The 2024 total assessed valuation for all property was \$151,673,672,937. Commercial real property including rural lands and incorporated town lots is 20.28% of all property ($\$30,764,634,379 / \$151,673,672,937 = .2028$ rounded down).

Taxes collected in 2025 for the Blind Pension Fund were \$47,653,469.78. For the purposes of this fiscal note, FSD assumes the fiscal impact is up to the full amount collected from commercial real property. The commercial real property including rural lands and incorporated town lots portion of the Blind Pension Fund is \$9,664,124 ($\$47,653,469.78 * 20.28\% = \$9,664,123.67$ rounded up).

Therefore, FSD estimates the fiscal impact to the Blind Pension fund as a result of the provisions of section 137.016.1(4) is \$0 - \$9,664,124 beginning in FY 2028.

Officials from the **County Employees' Retirement Fund (CERF)** note there is insufficient data to quantify Section 137.016's exact impact. This section may have an unknown, possibly negative, fiscal impact to the County Employees' Retirement Fund. A certain portion of the moneys that are used to fund CERF are tied to the collection of property taxes. CERF notes that the amount of these revenues fluctuates from year to year.

Oversight notes officials from the STC and DSS both assume the proposal will have a direct fiscal impact on state revenues. Oversight assumes the impact would depend on relative difference in value between the cost approach and the comparison approach to value. Oversight assumes this could have a positive or negative impact on the Blind Pension Fund and local political subdivisions.

Officials from the **Department of Revenue (DOR)** note this clarifies certain property and what it will be considered under statutes for property assessment. This will not fiscally impact DOR.

§137.039 – Tax Abatements

Officials from the **State Tax Commission (STC)** note this provision will have an unknown negative impact for taxing jurisdictions relying on property taxes as a source of revenue.

Currently, a taxing jurisdiction can shift part of the tax burden to other property owners outside of the tax abatement to mitigate revenue losses under the Hancock Amendment. This provision would require the taxing jurisdiction to reduce the levy and hold these property owners harmless when abatements are used.

Officials from the **County Employees' Retirement Fund (CERF)** note this section may have a negative fiscal impact to CERF. A certain portion of the moneys that are used to fund CERF are tied to the collection of property taxes. CERF notes that the amount of these revenues fluctuates from year to year. CERF notes that there is insufficient information to quantify the exact impact but CERF assumes that the impact would be negative. CERF would expect the changes in this section to potentially result in a deterioration of CERF's funding over time. Unless the funding is replaced with other sources, this section likely has serious implications for CERF's long-term sustainability.

Oversight assumes this proposal requires political subdivisions to decrease the real property tax levy to reduce the amount of tax revenue such political subdivision received from the additional tax abatement revenue.

Oversight is uncertain how many taxing entities who receive tax abatement or similar incentives would need to reduce their levy under this proposal. Therefore, Oversight will show an unknown negative impact to local political subdivisions for the loss in real property tax revenue.

§137.055 - Public Hearing Notices

Officials from the **County Employees' Retirement Fund (CERF)** note there is insufficient data to quantify this section's exact impact. However, this section would likely have a negative fiscal impact to CERF. A certain portion of the moneys that are used to fund CERF are tied to the collection of property taxes. CERF notes that the amount of these revenues fluctuates from year to year. CERF notes that there is insufficient information to quantify the exact impact but CERF assumes that the impact would be negative. CERF would expect the changes in this section to potentially result in a deterioration of CERF's funding over time. Unless the funding is replaced with other sources, this section likely has serious implications for CERF's long-term sustainability.

Oversight assumes this provision states hearing notices for setting property tax rates no longer needs to include the increase in tax revenue realized due to an increase in assessed value as a result of new construction and improvements.

Oversight does not anticipate a fiscal impact from this provision. However, Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

§137.073 - New Construction and Improvements

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

Oversight assumes this provision states new construction and improvements will no longer be excluded from the aggregate assessed valuation calculation, as it relates to the Hancock Amendment, setting real property tax levies, and inflationary assessment growth.

Oversight notes property tax revenues are generally designed to be revenue neutral from year to year. The tax levy is adjusted relative to the assessed value to produce roughly the same revenue from the prior year with an allowance for growth.

Oversight notes no longer omitting new construction and improvements from the aggregate assessed value in the rate setting calculation would result in a higher adjusted assessed value (the denominator) relative to the authorized revenues (the numerator) in the rate setting calculation. This would reduce the tax rate applied to total assessed values thereby reducing revenues for all tax entities.

Oversight assumes this proposal could reduce allowable revenue growth for local taxing entities over time.

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 ($(\text{Total Assessed Value}/100) \cdot .03$). Because 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.

§137.073 – Temporary vs. Permanent Levy

Oversight assumes this provision specifies that, if the voters in a political subdivision approve a temporary levy increase prior to the expiration of a previously approved temporary levy increase, the new tax rate ceiling will remain in effect only until the temporary levy increase expires under

the terms originally approved by a vote of the people. At that time, the tax rate ceiling will be decreased by the amount of the temporary levy increase unless voters of the political subdivision are asked to approve an additional permanent increase and such increase is approved.

Oversight does not anticipate a fiscal impact from this proposal. Therefore, Oversight will reflect a zero impact in the fiscal note.

§137.073 - Voter-Approved Increased Tax Rate Ceiling

Oversight assumes this provision clarifies the treatment of voter-approved increases to property tax rate ceilings. Oversight assumes this provision does not mandate a tax increase; it only governs the treatment of rates already approved by voters. Therefore, Oversight does not anticipate a fiscal impact from this proposal. Therefore, Oversight will reflect a zero impact in the fiscal note.

§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.

§137.082 - Rollback Adjustments

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

Oversight assumes this provision limits how much revenue local taxing entities may collect following increases in assessed valuation.

Oversight assumes this proposal may potentially limit future revenue growth and the actual fiscal impact is dependent on future assessed valuation increases. Therefore, Oversight will show an unknown loss in revenue to local political subdivisions beginning in FY 2028.

§137.115 - Removal of New Construction Reduction for Certain Airport Possessory Interests

Officials from the **Department of Social Services (DSS)** note §137.115 is amended to remove the deduction of costs paid toward any construction or improvements after January 1, 2008, when determining the true value of any possessory interest in real property located within the boundaries of an airport.

Blind Pension (BP) is funded from 0.03% (3 cents) of each \$100 assessed valuation of taxable property. The value of property is unknown, FSD assumes that by removing this language there may be an increase in the assessed values of these types of property.

Increasing the assessed value of these types of property as described above may result in an increase in taxes collected for the BP fund, however, FSD anticipates the impact to be negligible for the provisions of section 137.115.

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

Oversight assumes removing the reduction for new construction raises the true value of affected possessory interests. This will result in higher assessed valuation and therefore higher property tax revenue for local taxing entities.

Oversight notes DSS (FSD) assumes the increase in revenue will be negligible. Therefore, Oversight assumes the impact will be immaterial and will not show an impact for this provision.

§§137.073 & 137.115 - 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). Because 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.

§137.115 - Mandatory Physical Inspections

Officials from the **Boone County Assessor** assume the following costs for additional staff as a result of this provision:

Estimated Local Fiscal Impact	FY 2027	FY 2028	FY 2029
137.115(10) - 15% on Subclass # Additional Staff	\$300,000	\$320,000	\$350,000

Oversight assumes this provision states before any assessor may increase the assessed valuation of any parcel of utility, industrial, commercial, railroad, or other real property by more than 15% since the last assessment, the assessor must conduct a physical inspection of the property.

Oversight assumes local taxing entities may incur additional administrative costs to comply with this provision. Therefore, Oversight will show an unknown cost to local political subdivisions beginning in FY 2027.

§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.

§137.1050 - SB190 Senior Tax Credit Clarification

Officials from the **Department of Social Services (DSS)** note §137.1050 has been revised to require counties to implement a property tax credit when they have the authority to do so. The provisions also apply the tax credit to all property levies, clarify definitions, and introduce new requirements for tax statements.

Blind Pension (BP) is funded from 0.03% (3 cents) of each \$100 assessed valuation of taxable property. Providing a real property tax credit to eligible owner as defined above will affect the growth of the BP fund but will not decrease the current amount collected in the fund. Therefore, there is no fiscal impact to the BP fund for section 137.1050.

Officials from the **St. Louis City Assessor** note the following fiscal impact from the proposed changes to the Senior Tax Freeze Credit to apply to all taxing jurisdictions; currently only the City taxes are frozen.

Current credit (City only)	Credit if all taxing jurisdictions included	Diff in taxes	Fund
\$520,121	\$2,600,605	(\$2,080,484)	Loss to all taxing jurisdictions (except the City)
		\$0	No impact to City (Credit is already being applied)
		(\$31,207)	Loss to Collector of Revenue Fund
		(\$13,003)	Loss to Assessment Fund

Officials from the **County Employees' Retirement Fund (CERF)** note that there is insufficient information to quantify the exact impact but CERF assumes that the impact would be negative.

Oversight will show an unknown, negative fiscal impact to local political subdivisions.

§137.1055 – Property Tax Credit Limit

Officials from the **County Employees’ Retirement Fund (CERF)** note this section would have a negative fiscal impact to CERF.

Oversight assumes this proposal adds clarifying language for eligibility requirements and implementation measures for the property tax credit established in SB 3 (2025).

Oversight does not anticipate a fiscal impact from this provision. However, Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

§139.053 - Property Tax Payments in Township Counties

Oversight assumes this provision allows township counties the option to pass by ordinance or order, the option for taxpayers to pay any part of their real and personal property taxes on an annual, semiannual, or quarterly basis.

Oversight assumes local taxing entities may incur additional administrative costs to comply with this provision (pending voter approval). Therefore, Oversight will show a range of \$0 (not submitted to/approved by voters) to an unknown cost to local political subdivisions beginning in FY 2027.

§163.021 – Operating Levy Floor

Officials from the **Department of Elementary and Secondary Education (DESE)** note this bill has the potential for a minor impact to the Foundation Formula (School Finance) application/calculations. DESE is unsure if these modifications would be able to be handled appropriately by the current/existing application in place today. DESE assumes the Foundation Formula (School Finance) is where these changes would be needed in order to provide proper funding per provisions for the proposal.

DESE is a consolidated agency under OA-ITSD. It is assumed that all new IT projects/systems will be bid out because all ITSD resources are at full capacity. DESE also assumed these changes/modifications are able to be programmed into the existing Foundation Formula (School Finance) application/code. DESE notes OA-ITSD services will be required at a cost of \$146,286 in FY 2027 (1,393.20 hours x \$105 per hour), \$29,989 in FY 2028, and \$30,739 in FY 2029.

No additional impact on DESE as the foundation formula is based on a performance levy of \$3.43 (see attached <https://dese.mo.gov/media/pdf/missouri-school-funding-formula>). The

performance levy is set and does not change no matter the local property taxes of a district. Because of this, the proposed legislation will not have an impact on DESE outside of some modifications to the Foundation Formula application. However, this could have significant impact on LEAs.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the impact as estimated by DESE in the fiscal note for their agency.

Officials from the **Department of Revenue (DOR)** note this provision changes one of the calculations used determining what portion of the state adequacy target school districts would receive. This will not impact DOR.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§209.130 - State Property Tax for Blind Pension Fund

Oversight notes currently 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 provision states upon the adoption of a constitutional amendment, the annual state property tax must be eliminated, and the General Assembly must begin appropriating money for the pensioning of the blind each year.

Oversight assumes the loss of tax revenue to the Blind Pension Fund and appropriation costs to general revenue will not be implemented until the adoption of a corresponding constitutional amendment is passed to eliminate property tax.

Officials from the **County Employees' Retirement Fund (CERF)** note this section would likely have a negative fiscal impact to CERF.

Officials from the **Department of Revenue (DOR)** note this provision would stop the collection of funds for the Blind Pension Fund, should a constitutional amendment pass making the fund appropriated rather than based on property tax collection. DSS is the administrator of that fund. DOR defers to DSS for fiscal impact.

Responses regarding the proposed legislation as a whole

Officials from the **High Point R-III School District** assume the proposal will have a fiscal impact but did not provide any additional information.

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

Officials from the **City of O'Fallon** assume the proposal will have a minimal fiscal impact.

Officials from the **Adair County SB 40 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 the **Rolling Hills Consolidated Library** state the proposed changes to statutory language regarding how and when a tax levy issue can be placed on a ballot has no perceived fiscal impact on our library's annual operating budget. It does appear to have the intention to make property tax increases less likely to pass by restricting them to just one election per year and it will increase the cost of elections by making tax levy ballot language longer, increasing the size of the ballot.

Officials from the **St. Louis City Board of Elections, Newton County Health Department, Phelps County Sheriff, Branson Police Department, Kansas City Police Department, St. Louis County Police Department, and Eastern Clay Ambulance District** the 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
GENERAL REVENUE			
<u>Savings</u> - (Various Sections) Shifting elections from to November p.4	Unknown	\$0	\$0
<u>Cost</u> - (Various Sections) Increased cost for November ballot issues p.4	(Unknown)	\$0	\$0
<u>Cost</u> – DESE/ITSD (§163.021) Programming changes to foundation formula p.14	(\$146,286)	(\$29,989)	(\$30,739)
ESTIMATED NET EFFECT ON GENERAL REVENUE	More or less than (\$146,286)	(\$29,989)	(\$30,739)
BLIND PENSION FUND			
<u>Revenue Loss</u> – (§137.016) Reclassification of certain residential real property p.5	\$0	(Unknown) to Unknown	(Unknown) to Unknown
<u>Revenue Loss/Gain</u> – DSS (§137.016.1(4)) Changes to real property assessment methods pp. 6-7	\$0	(Unknown) to Unknown	(Unknown) to Unknown
ESTIMATED NET EFFECT ON BLIND PENSION FUND	\$0	(Unknown) to Unknown	(Unknown) to Unknown

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> – Local Election Authorities (Various Sections) Shifting elections to November p.4	\$0	Unknown	\$0
<u>Cost</u> - Local Election Authorities (Various Sections) Increased ballot length in November elections p.4	(Unknown)	\$0	\$0
<u>Savings</u> - (Various Sections) decrease in proportional cost for November election to locals p.4	Unknown	\$0	\$0
<u>Cost</u> - (Various Sections) increase in proportional cost for April election to locals p.4	\$0	(Unknown)	\$0
<u>Revenue Loss/Gain</u> – (§§137.016.1(1) & 137.016.1(3)) Classification of certain residential real property p.5	\$0	(Unknown) to Unknown	(Unknown) to Unknown
<u>Revenue Loss/Gain</u> – (§137.016.1(4)) Changes to real property assessment methods (replacement cost/cost approach) p.6-7	\$0	(Unknown) to Unknown	(Unknown) to Unknown
<u>Revenue Loss</u> – (§137.039) Levy decrease for localities receiving tax abatement p. 8	\$0	(Unknown)	(Unknown)
<u>Revenue Loss</u> - (§137.073) New construction and improvements no longer omitted from adjusted assessed value calculation p.9	\$0	(Unknown)	(Unknown)
<u>Cost</u> – Counties (§137.073) To administer the changes to rate calculation from this proposal p.9	\$0	(Unknown)	(Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Revenue Loss</u> – (§137.082) Rollback adjustments p.9	\$0	(Unknown)	(Unknown)
<u>Revenue Loss/Gain</u> - (§§137.073 & 137.115) Subclass levy changes p.11	\$0	(Unknown) to Unknown	(Unknown) to Unknown
<u>Cost</u> – Counties (§137.115) Mandatory physical inspections pp.11-12	\$0	(Unknown)	(Unknown)
<u>Revenue Loss/Gain</u> - (§137.115) Repeal of opt-out provisions from HB 1150 (2002) & SB 960 p.12	\$0	(Unknown) to Unknown	(Unknown) to Unknown
<u>Revenue Loss</u> (§137.1050) SB190 Senior Tax Credit changes p.12	\$0	(Unknown)	(Unknown)
<u>Cost</u> - Counties (§139.053) To administer the changes to rate calculation from this proposal pp.13-14	\$0	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown</u>	(Unknown) to <u>Unknown</u>	(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

The proposed legislation modifies provisions governing property taxes.

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 Social Services
 Platte County Board of Elections
 St. Louis County Board of Elections

St. Louis City Assessor
Howell County Assessor
County Employees' Retirement Fund (CERF)
Boone County Assessor
Department of Elementary and Secondary Education
High Point R-III School District
City of Kansas
Adair County SB 40 Board
City of O'Fallon
St. Louis City Board of Elections
Newton County Health Department
Phelps County Sheriff
Branson Police Dept
Kansas City Police Dept
St. Louis County Police Dept
Eastern Clay Ambulance District
Rolling Hills Consolidated Library



Julie Morff
Director
January 19, 2026



Jessica Harris
Assistant Director
January 19, 2026