COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6805H.01I
Bill No.: HJR 171
Subject: Tax Incentives; Bonds - General Obligation and Revenue; Elementary and Secondary Education; Constitutional Amendments
Type: Original
Date: February 22, 2026

Bill Summary: This joint resolution proposes a constitutional amendment authorizing school districts to include municipal property owned for industrial project purposes in calculations of assessed valuation for school district indebtedness purposes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	$0 or (More than $9,000,000)	$0	$0
Total Estimated Net Effect on General Revenue	**$0 or (More than $9,000,000)**	**$0**	**$0**

*The potential fiscal impact of "(More than $9,000,000)" would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on Other 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 All 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**

*The potential fiscal impact to local election authorities (reimbursed by the state) would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

FISCAL ANALYSIS

ASSUMPTION

HJR – School Indebtedness

Officials from the **Office of the Secretary of the State (SOS)** assume, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, joint resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a joint resolution to a vote of the people, Section 115.063.2, RSMo., requires the state to pay the costs. The cost of a special election has been estimated to be $9 million based on the cost of past primary and general election reimbursements.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY27 publication cycle, the SOS estimates publication costs at $515,000 per ballot measure. This amount is an average and will be subject to change based on the number of petitions received, length of those petitions, and rates charged by newspaper publishers. In a year where many lengthy measures must be published, the Secretary of State's Office may need to budget up to $10,000,000 to ensure sufficient funding is available to meet its constitutional obligations for the election cycle.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Oversight has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2027. This reflects the decision made by the Joint Committee on Legislative Research that

the cost of the elections should be shown in the fiscal note. Per the SOS, the cost is estimated at $9 million based on past costs as well as the anticipation of significant increases in future election-related expenses. The next scheduled statewide general election is in November 2026 (FY 2027). It is assumed the subject within this proposal could be on this ballot; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2027.

Officials from the **Office of Administration – Budget and Planning**, **Department of Elementary and Secondary Education**, **City of Kansas City**, **St. Louis City Assessor's Office**, **Office of the State Auditor**, and **State Tax Commission** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, school districts 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.

FISCAL IMPACT – State Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
Transfer Out - SOS (§26) Reimbursement of local election authority election costs if a special election is called by the Governor p.3	$0 or (More than $9,000,000)	$0	$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	**$0 or (More than $9,000,000)**	**$0**	**$0**

FISCAL IMPACT – Local Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
Transfer In - Local Election Authorities Reimbursement of election costs by the State for a special election p.3	$0 or More than $9,000,000	$0	$0

FISCAL IMPACT – Local Government	FY 2027 (10 Mo.)	FY 2028	FY 2029
Cost - Local Election Authorities Cost of a special election **if** called for by the Governor p.3	$0 or (More than $9,000,000)	$0	$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	**$0**	**$0**	**$0**

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This joint resolution if adopted would amend Article VI of the Missouri Constitution to allow school districts to include specific tax exempted property used for industrial development in the calculation of assessed valuation for determining the limitation cap on school district indebtedness.

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
Office of the Secretary of State
Department of Elementary and Secondary Education
City of Kansas City
St. Louis City Assessor's Office
Office of the State Auditor
State Tax Commission

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GS:LR:OD