

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6907H.011  
 Bill No.: HB 3342  
 Subject: Taxation and Revenue - Property; Taxation and Revenue - General; Motor Vehicles; Property, Real and Personal; Cities, Towns, and Villages; Counties  
 Type: Original  
 Date: March 4, 2026

Bill Summary: This proposal prohibits personal property tax levies passed prior to January 1, 1975, from applying to motor vehicles.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

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

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Blind Pension Fund (1621)	\$0	\$0 or up to (\$6,390,330)	\$0 or up to (\$6,390,330)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0 or up to (\$6,390,330)</b>	<b>\$0 or up to (\$6,390,330)</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

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

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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
<b>Local Government</b>	<b>\$0</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency 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.

#### §1.2070 - Certain Property Taxes Applicable to Motor Vehicles

Officials from the **Department of Social Services (DSS)** assume Section 1.2070 is added to state that notwithstanding any other provisions of the law to the contrary, no personal property tax levy passed by voters before January 1, 1975, shall apply to motor vehicles.

Blind Pension (BP) is funded from 0.03% (\$.03) of each \$100 assessed valuation of taxable property. BP is authorized under Article III Section 38(b) of the Missouri Constitution. The Family Support Division (FSD) assumes that the proposed legislation would apply to all property taxes collected from motor vehicles.

According to the [2024 State Tax Commission Annual Report](#), the 2024 total assessed valuation for vehicles including recreational vehicles was \$20,346,815,488. The 2024 total assessed valuation for all property was \$151,673,672,937. Vehicles including recreational vehicles is 13.41% of all property ( $\$20,346,815,488 / \$151,673,672,937 = .1341$  rounded down). Taxes collected in 2025 for the Blind Pension Fund were \$47,653,469.78. The vehicles including recreational vehicles portion of the Blind Pension Fund is \$6,390,330 ( $\$47,653,469.78 * 13.41\% = \$6,390,330.30$  rounded down).

Therefore, FSD estimates the fiscal impact to the BP fund as a result of this legislation would be up to \$6,390,330 beginning 2028.

**Oversight** is uncertain how this proposal would impact the Blind Pension Fund. Therefore, Oversight will reflect the estimate as provided by Department of Social Services

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** note that the proposal's provisions may constitute a "substantial proposed change" in future plan benefits as defined in section 105.660(10). It is impossible to accurately determine the fiscal impact of this legislation without an actuarial cost statement prepared in accordance with section 105.665. Pursuant to section 105.670, an actuarial cost statement must be filed with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information for at least five legislative days prior to final passage.

Officials from the **County Employees' Retirement Fund (CERF)** have reviewed HB 3342 (6907H.011). There is insufficient data to quantify the impact of HB 3342 but CERF assumes that HB 3342 would have a negative fiscal impact of an indeterminate amount. A certain portion of the moneys that are used to fund CERF are tied to the collection of property taxes. HB 3342 would likely reduce the moneys that fund CERF. CERF notes that the amount of these revenues fluctuates from year to year. CERF would expect the changes in HB 3342 to result in a deterioration of CERF's funding over time. Unless the funding is replaced with other sources, HB 3342 likely has serious implications for CERF's sustainability including the possibility that the plan assets might be depleted or the inability to pay benefits to retirees and beneficiaries.

Officials from the **City of Kansas City** assume this bill would have a significant negative fiscal impact on Kansas City. The City imposes multiple levies that have existed prior to 1975 that would no longer apply to motor vehicles. The City is unable to calculate the precise impact of this change because the City applies its tax levies to an aggregate assessed value of all tangible personal property within its jurisdiction, as provided by the encompassing counties (assessing jurisdictions).

Further, it is difficult to determine the fiscal impact of the bill due to its ambiguous language. The bill is ambiguously written by prohibiting the application of levies "passed by voters before January 1, 1975." The Hancock Amendment, adopted in 1980, set the standard for electoral imposition of new taxes. Property taxes imposed prior to 1980 were often not subjected to the electoral process, and it is unclear whether the bill would apply to such levies. In addition, individual property tax levies are not voted on; voters instead adopt a rate ceiling that sets an upper limitation under which a political subdivision must operate within pursuant to existing Missouri law. Fiscal impact is therefore difficult to ascertain and quantify.

Officials from the **City of Clarence** assume a fiscal impact but did not provide any additional information.

Officials from the **State Tax Commission, Kearney Fire & Rescue Protection District (KEAR) – Clay**, and the **Office of the State Auditor** 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** cannot determine the scope of levies impacted under this proposal; therefore, Oversight will show a range of impact of \$0 (no levies currently applied) or an unknown loss of revenue to local political subdivisions beginning in FY 2028.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local taxing entities 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
<b>BLIND PENSION FUND (1621)</b>			
<u>Revenue Loss</u> - (§1.2070) Prohibition of certain personal property tax applied to motor vehicles p.4	\$0	\$0 or up to (\$6,390,330)	\$0 or up to (\$6,390,330)
<b>ESTIMATED NET EFFECT ON BLIND PENSION FUND (1621)</b>	<b><u>\$0</u></b>	<b><u>\$0 or up to (\$6,390,330)</u></b>	<b><u>\$0 or up to (\$6,390,330)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue Loss</u> - (§1.2070) Prohibition of certain personal property tax applied to motor vehicles p.4	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill prohibits personal property tax levies passed by voters prior to January 1, 1975, from applying to motor vehicles.

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 Social Services  
County Employees Retirement Fund

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Office of the State Auditor  
Joint Committee on Public Employee Retirement  
State Tax Commission  
City of Kansas City  
City of Clarence  
Kearney Fire & Rescue Protection District (KEAR) - Clay



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March 4, 2026



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