

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 7142H.01I
Bill No.: HB 3254
Subject: Property, Real and Personal; Taxation and Revenue - Property; Counties; Political Subdivisions
Type: Original
Date: February 25, 2026

Bill Summary: This proposal modifies provisions relating to property tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	Could substantially exceed (\$1,610,000)	Could substantially exceed (\$1,610,000)	Could substantially exceed (\$1,610,000)
Total Estimated Net Effect on General Revenue	Could substantially exceed (\$1,610,000)	Could substantially exceed (\$1,610,000)	Could substantially exceed (\$1,610,000)

*Property tax reimbursements (subject to appropriation) and an increase in assessment maintenance rate.

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	Unknown, More or less than <u>\$1,610,000</u>	Unknown, More or less than <u>\$1,610,000</u>	Unknown, More or less than <u>\$1,610,000</u>

FISCAL ANALYSIS

ASSUMPTION

§53.255 – Assessor Training & Certification Requirements

Oversight notes this section modifies assessor training requirements. Oversight assumes counties may experience minimal increases in training-related costs for newly elected assessors and assessors-elects required to complete the expanded training hours. The fiscal impact to counties is expected to be minimal and absorbable, therefore Oversight will reflect a zero impact in the fiscal note.

§§137.073 & 137.115 – Levies by Subclass

Officials from the **County Employees' Retirement Fund (CERF)** assume there is insufficient data to quantify the exact impact of sections 137.073 and 137.115. Sections 137.073 and 137.115 may result in an unknown, possibly negative, fiscal impact. 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 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 ($(\text{Total Assessed Value}/100) \times .03$). 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.

§137.079 – 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 & 137.180 - Assessment Notice & Physical Inspection Requirements

In response to similar legislation, HB 2780 (2026), officials from the **Boone County Assessor** assumed 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 2028.

Oversight notes this provision further allows for various technologies to be used either alone or in combination with existing assessment methods to determine the true value in money of real property. Oversight notes the use of technology authorized under this provision shall satisfy any inspection requirement for real property assessment purposes and shall not require an on-site physical inspection unless otherwise deemed necessary by the assessor. Oversight is unable to determine if/how many assessors may utilize these technologies to assess real property. Therefore, Oversight assumes there still could be costs for physical inspections under this proposal.

§137.121 & 137.490 – Electronic Recordkeeping for Assessors

Oversight notes these provisions allow assessors the option to keep records electronically. Oversight notes this provision may result in savings to counties for postage and printing. Oversight notes this provision is optional, therefore Oversight will show a range of \$0 (no counties opt in) to an unknown savings to county assessors.

§137.750 - Assessment Maintenance

Officials from the **State Tax Commission (STC)** determined it will have a negative fiscal impact on the state. Increasing the minimum assessment maintenance fund rate from its current \$3.30 for the first 20,000 parcels to \$4 per parcel is the main driver behind the negative impact. There are currently 3,448,453 parcels in the state with 2,300,000 (115 counties X 20,000) parcels at minimum qualifying for the increase. This will cost the state \$1,610,000 per year (2,300,000 X 70 cents).

Officials from the **Office of Administration - Budget and Planning (B&P)** note this provision would increase the minimum State reimbursement from \$3 to \$4 for the first 20,000 parcels within a county.

B&P notes that for FY26 counties are currently being reimbursed at \$3.30 per parcel, for a total cost of \$11,314,883 for 3,428,752 parcels. Increasing the per parcel funding to \$4 could require additional GR appropriation authority of \$2,400,127. B&P further notes that the parcel county

for every county changes each year. Therefore, this provision could result in costs to GR above \$2,400,127 if all parcels were reimbursed at \$4.

B&P notes that this provision would become effective August 28, 2026, during the FY27 budget. B&P assumes that if needed, STC will request supplemental funding.

Oversight notes the following estimated fiscal impact using data from the STC's 2024-2025 Certified Parcel Count Quarterly-Reimbursement [Report](#).

County	2024 Certified Parcel Count Used for the 2026 Quarterly Reimbursement	Current Reimbursement	Proposed	Difference
Adair	15,296	\$50,477	\$61,184	\$10,707
Andrew	11,502	\$37,957	\$46,008	\$8,051
Atchison	6,849	\$22,602	\$27,396	\$4,794
Audrain	15,538	\$51,275	\$62,152	\$10,877
Barry	27,793	\$91,717	\$111,172	\$19,455
Barton	8,554	\$28,228	\$34,216	\$5,988
Bates	13,733	\$45,319	\$54,932	\$9,613
Benton	32,506	\$107,270	\$130,024	\$22,754
Bollinger	11,779	\$38,871	\$47,116	\$8,245
Boone	74,288	\$245,150	\$297,152	\$52,002
Buchanan	4,184	\$13,807	\$16,736	\$2,929
Butler	29,126	\$96,116	\$116,504	\$20,388
Caldwell	8,900	\$29,370	\$35,600	\$6,230
Callaway	26,735	\$88,226	\$106,940	\$18,715
Camden	70,229	\$231,756	\$280,916	\$49,160
Cape Girardeau	39,874	\$131,584	\$159,496	\$27,912
Carroll	10,244	\$33,805	\$40,976	\$7,171
Carter	7,368	\$24,314	\$29,472	\$5,158
Cass	5,267	\$17,381	\$21,068	\$3,687
Cedar	12,133	\$40,039	\$48,532	\$8,493
Chariton	11,688	\$38,570	\$46,752	\$8,182
Christian	42,329	\$139,686	\$169,316	\$29,630
Clark	7,852	\$25,912	\$31,408	\$5,496
Clay	99,106	\$327,050	\$396,424	\$69,374
Clinton	13,352	\$44,062	\$53,408	\$9,346
Cole	35,823	\$118,216	\$143,292	\$25,076
Cooper	12,740	\$42,042	\$50,960	\$8,918
Crawford	18,880	\$62,304	\$75,520	\$13,216
Dade	7,606	\$25,100	\$30,424	\$5,324
Dallas	13,772	\$45,448	\$55,088	\$9,640
Daviess	11,268	\$37,184	\$45,072	\$7,888
Dekalb	7,761	\$25,611	\$31,044	\$5,433
Dent	11,368	\$37,514	\$45,472	\$7,958
Douglas	1,297	\$4,280	\$5,188	\$908

Dunklin	21,651	\$71,448	\$86,604	\$15,156
Franklin	74,808	\$246,866	\$299,232	\$52,366
Gasconade	14,785	\$48,791	\$59,140	\$10,350
Gentry	7,906	\$26,090	\$31,624	\$5,534
Greene	124,205	\$409,877	\$496,820	\$86,944
Grundy	9,801	\$32,343	\$39,204	\$6,861
Harrison	10,747	\$35,465	\$42,988	\$7,523
Henry	1,787	\$5,897	\$7,148	\$1,251
Hickory	11,257	\$37,148	\$45,028	\$7,880
Holt	7,582	\$25,021	\$30,328	\$5,307
Howard	8,609	\$28,410	\$34,436	\$6,026
Howell	23,275	\$76,808	\$93,100	\$16,293
Iron	12,504	\$41,263	\$50,016	\$8,753
Jackson	302,321	\$997,659	\$1,209,284	\$211,625
Jasper	62,872	\$207,478	\$251,488	\$44,010
Jefferson	113,650	\$375,045	\$454,600	\$79,555
Johnson	28,690	\$94,677	\$114,760	\$20,083
Knox	6,212	\$20,500	\$24,848	\$4,348
Laclede	24,168	\$79,754	\$96,672	\$16,918
Lafayette	22,723	\$74,986	\$90,892	\$15,906
Lawrence	21,968	\$72,494	\$87,872	\$15,378
Lewis	9,281	\$30,627	\$37,124	\$6,497
Lincoln	33,506	\$110,570	\$134,024	\$23,454
Linn	11,282	\$37,231	\$45,128	\$7,897
Livingston	10,998	\$36,293	\$43,992	\$7,699
Macon	14,190	\$46,827	\$56,760	\$9,933
Madison	10,935	\$36,086	\$43,740	\$7,655
Maries	8,518	\$28,109	\$34,072	\$5,963
Marion	16,402	\$54,127	\$65,608	\$11,481
McDonald	1,693	\$5,587	\$6,772	\$1,185
Mercer	5,634	\$18,592	\$22,536	\$3,944
Miller	2,287	\$7,547	\$9,148	\$1,601
Mississippi	9,646	\$31,832	\$38,584	\$6,752
Moniteau	10,350	\$34,155	\$41,400	\$7,245
Monroe	9,965	\$32,885	\$39,860	\$6,976
Montgomery	11,497	\$37,940	\$45,988	\$8,048
Morgan	31,151	\$102,798	\$124,604	\$21,806
New Madrid	15,105	\$49,847	\$60,420	\$10,574
Newton	32,994	\$108,880	\$131,976	\$23,096

Nodaway	15,517	\$51,206	\$62,068	\$10,862
Oregon	9,961	\$32,871	\$39,844	\$6,973
Osage	11,800	\$38,940	\$47,200	\$8,260
Ozark	1,275	\$4,208	\$5,100	\$893
Pemiscot	1,452	\$4,792	\$5,808	\$1,016
Perry	14,620	\$48,246	\$58,480	\$10,234
Pettis	26,125	\$66,000	\$80,000	\$14,000
Phelps	22,854	\$66,000	\$80,000	\$14,000
Pike	14,297	\$66,000	\$80,000	\$14,000
Platte	45,333	\$66,000	\$80,000	\$14,000
Polk	19,820	\$66,000	\$80,000	\$14,000
Pulaski	2,073	\$66,000	\$80,000	\$14,000
Putnam	7,740	\$66,000	\$80,000	\$14,000
Ralls	9,588	\$66,000	\$80,000	\$14,000
Randolph	15,705	\$66,000	\$80,000	\$14,000
Ray	16,178	\$66,000	\$80,000	\$14,000
Reynolds	10,463	\$66,000	\$80,000	\$14,000
Ripley	11,982	\$66,000	\$80,000	\$14,000
Saline	16,502	\$66,000	\$80,000	\$14,000
Schuyler	4,357	\$66,000	\$80,000	\$14,000
Scotland	5,892	\$66,000	\$80,000	\$14,000
Scott	23,854	\$66,000	\$80,000	\$14,000
Shannon	9,258	\$66,000	\$80,000	\$14,000
Shelby	6,847	\$66,000	\$80,000	\$14,000
St. Charles	171,816	\$66,000	\$80,000	\$14,000
St. Clair	11,298	\$66,000	\$80,000	\$14,000
St. Francois	41,286	\$66,000	\$80,000	\$14,000
St. Genevieve	18,979	\$66,000	\$80,000	\$14,000
St. Louis City	135,332	\$66,000	\$80,000	\$14,000
St. Louis County	400,386	\$66,000	\$80,000	\$14,000
Stoddard	19,241	\$66,000	\$80,000	\$14,000
Stone	36,621	\$66,000	\$80,000	\$14,000
Sullivan	7,690	\$66,000	\$80,000	\$14,000
Taney	5,033	\$66,000	\$80,000	\$14,000
Texas	19,859	\$66,000	\$80,000	\$14,000
Total		\$66,000	\$80,000	\$14,000
Vernon	15,470	\$66,000	\$80,000	\$14,000
Warren	27,127	\$66,000	\$80,000	\$14,000
Washington	26,676	\$66,000	\$80,000	\$14,000

Wayne	14,929	\$66,000	\$80,000	\$14,000
Webster	22,263	\$66,000	\$80,000	\$14,000
Worth	3,332	\$66,000	\$80,000	\$14,000
Wright	13,826	\$66,000	\$80,000	\$14,000
Total	3,198,352	\$ 8,838,456	\$ 10,713,280	\$ 1,874,824

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the **State Tax Commission**.

§137.1050 – Local Senior Property Tax Freeze Reimbursement

Officials from the **Office of Administration - Budget and Planning (B&P)** note this provision would require, upon appropriation, the State to reimburse local districts for revenue lost as a result of the county opting in to the local property freeze. Therefore, this result in an unknown, could be significant, cost to GR.

Officials from the **City of Kansas City** assume this bill could have a positive fiscal impact on the City of Kansas City. Presently, the City must consider credited amounts under RSMo. 137.1050 to be revenue "actually received" per the rate-setting calculation in RSMo. 137.073, which does not allow the City to recoup or adjust levies to compensate for actual revenue lost. This bill would allow the City to recoup revenue lost from the property tax credits via a state appropriation.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the Office of Administration - Budget and Planning.

§137.1055 – Revenue Growth Limited Counties

Officials from the **Office of Administration - Budget and Planning (B&P)** note this provision would require, upon appropriation, the State to reimburse local districts for revenue lost as a result of the property tax growth limits set forth in this section. Therefore, this result in an unknown, could be significant, cost to GR.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the Office of Administration - Budget and Planning.

§§139.031 & 139.053 – Payment of Property Taxes

Officials from the **County Employees' Retirement Fund (CERF)** assume this section may result in 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. CERF notes that the amount of these revenues fluctuates from year to year.

CERF further assumes Section 139.053 may result in 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. CERF notes that the amount of these revenues fluctuates from year to year

Oversight notes these provisions allow the governing body of any county to provide for partial payments on residential real property taxes assessed and in dispute in certain circumstances.

Oversight further notes these provisions also require the governing body of each county or city not within a county to allow for pre-payment of current real property taxes owed on an annual, semi-annual, or quarterly basis.

Oversight assumes there could be costs for implementation and computer programming. Oversight will show an unknown cost to county assessors to implement this proposal beginning in FY 2028.

Responses regarding the proposed legislation as a whole

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 the 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.

These locally funded services include access to employment supports, service coordination, inclusive community opportunities, and critical resources that promote independence, stability, and quality of life. Property-tax revenue is a foundational component of this system, allowing Adair County SB40 to respond to individual needs while ensuring services remain accessible and community-based. Beyond the individuals served, these supports strengthen families, reduce reliance on more costly crisis services, and contribute to a more inclusive and resilient community overall.

Any changes to property-tax funding must be carefully evaluated in light of these impacts. If reductions to personal and/or real property taxes are pursued, it is essential that a sustainable and equitable replacement funding mechanism be established. Without such a replacement, the ability of Adair County SB40 to meet its statutory mission and continue providing vital supports to individuals with disabilities and their families would be significantly compromised, with broader consequences for the community as a whole.

Officials from the **Jackson County SB 40 Board** note the requirement for physical inspection prior to certain valuation increases may affect the timing of assessed value growth. Any fiscal impact to SB40 revenue would depend on local assessor implementation and is indeterminate. Changes to property tax rate calculation methodology, including elimination of the single-rate

baseline comparison and modification of subclass levy adjustments, may affect the calculation of levy rollbacks and revenue distribution among property subclasses. The fiscal impact to SB40 levy revenue is indeterminate and dependent upon assessed valuation trends and implementation guidance. The requirement for state reimbursement of revenue reductions resulting from authorized homestead property tax credits may mitigate potential revenue losses to SB40 boards. The fiscal impact is expected to be neutral to positive, contingent upon state reimbursement funding.

Officials from the **Rolling Hills Consolidated Library** assume the numerous changes to the assessment and calculation of real property tax levels proposed in this bill would certainly have a fiscal impact on our library income, but it is impossible to calculate exactly how much this might be on an annual basis. The district also notes that there is a court case pending on the 0%/5% county designations.

Officials from the **Department of Social Services**, **Newton County Health Department**, and the **Gasconade County Assessor** 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 received a limited number of responses from assessors 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Transfer Out</u> - (§137.750) Increase in minimum assessment maintenance rate p.4-9	(\$1,610,000)	(\$1,610,000)	(\$1,610,000)
<u>Transfer Out</u> – (§137.1050) Local Senior Property Tax Freeze Reimbursement	\$0 or (Unknown, Could be significant)	\$0 or (Unknown, Could be significant)	\$0 or (Unknown, Could be significant)
<u>Transfer Out</u> – (§137.1055) Revenue growth limited counties reimbursement	\$0 or (Unknown, Could be significant)	\$0 or (Unknown, Could be significant)	\$0 or (Unknown, Could be significant)
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could substantially exceed (\$1,610,000)	Could substantially exceed (\$1,610,000)	Could substantially exceed (\$1,610,000)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Loss/Gain</u> – (§§137.073 & 137.115) Subclass levy changes p.3	\$0	(Unknown) to Unknown	(Unknown) to Unknown
<u>Cost</u> – Counties (§§137.115 & 137.180) Physical inspection requirements p.3-4	\$0	(Unknown)	(Unknown)
<u>Saving</u> – County Assessors (§§137.121 & 137.490) Electronic recordkeeping p.4	Unknown	Unknown	Unknown
<u>Transfer In</u> - Counties (§137.750) Increase in minimum assessment maintenance rate p.4-9	\$1,610,000	\$1,610,000	\$1,610,000

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Transfer In</u> - Counties (§137.1050) Local senior property tax freeze reimbursement p.9	\$0 or Unknown, Could be significant	\$0 or Unknown, Could be significant	\$0 or Unknown, Could be significant
<u>Transfer In</u> - Counties (§137.1055) Revenue growth limited counties reimbursement p.9	\$0 or Unknown, Could be <u>significant</u>	\$0 or Unknown, Could be <u>significant</u>	\$0 or Unknown, Could be <u>significant</u>
<u>Cost</u> - (§§139.031 & 139.053) for implementation and software changes to allow prepayment/partial payment of property taxes p.9	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Unknown, More or less than <u>\$1,610,000</u>	Unknown, More or less than <u>\$1,610,000</u>	Unknown, More or less than <u>\$1,610,000</u>

FISCAL IMPACT – Small Business

Certain small businesses that pay property taxes could be impacted by this proposal.

FISCAL DESCRIPTION

The proposed legislation modifies provisions relating to property tax.

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
Office of Administration - Budget and Planning
Department of Social Services
Boone County Assessor
Adair County SB 40 DD Board
Gasconade County Assessor
Newton County Health Department
City of Kansas City

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Bill No. HB 3254

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February 25, 2026

Jackson County SB 40 Board
Rolling Hills Consolidated Library

A handwritten signature in cursive script that reads "Julie Morff".

Julie Morff

Director

February 25, 2026

A handwritten signature in cursive script that reads "Jessica Harris".

Jessica Harris

Assistant Director

February 25, 2026