

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 7250H.06C
 Bill No.: HCS for HB 3467
 Subject: Political Subdivisions; Counties; Disabilities; Boards, Commissions, Committees,
 and Councils; Property, Real and Personal
 Type: Original
 Date: March 30, 2026

Bill Summary: This proposal modifies provisions relating to county developmental disability resource board taxes.

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 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§§70.210, 160.910, 162.755, 205.968, 205.974, 630.140, & 630.407 - County Developmental Disability Resource Board Tax Levies

Officials from the **Department of Revenue (DOR)** assume this proposal states that should the amount of revenue generated from property tax decrease the boards established under Section 205.968 to 205.974 can take to the voters a sales tax to replace the property tax. These boards are believed to be the county sheltered workshops.

This proposal would allow them to take to their voters a repeal of their property tax with a replacement by a sales tax of up to one-half of one percent. This would require the voters to approve of such plan.

DOR notes that this proposal would become effective on August 28, 2026, and the first election this issue could be presented to the voters would be the April 2027 general municipal election. This repeal of the property tax with the replacement of the sales tax would become effective the following January 1st.

This sales tax would be collected by the local political subdivision implementing the tax and not DOR. DOR defers to the local political subdivisions for fiscal impact.

None of the other sections of this bill have an impact to DOR.

Officials from the **Callaway County SB 40 Board** note Callaway County Special Services supports HCS HB 3467 as a locally controlled, voter-approved mechanism that may help protect developmental disability services if property tax revenues decline. CCSS is funded primarily through a local SB40 property tax levy, and that revenue supports direct services, community partnerships, employment supports, transportation, and family resources for individuals with intellectual and developmental disabilities in Callaway County.

The bill's value is that it creates an additional local funding option rather than eliminating existing levy authority. However, for existing boards, the bill appears to condition access to the sales tax on property tax collections falling below the 2026 fiscal-year baseline. That structure makes the bill a useful contingency tool, but not a complete solution to long-term fiscal pressure caused by inflation, workforce costs, or gradual revenue stagnation.

CCSS supports the bill and encourages consideration of clarifying language that would ensure existing SB40 boards may use voter-approved sales tax authority to preserve long-term service stability and sustainable local funding.

In response to a previous version, officials from the **Jasper County SB 40 Board** assumed the proposal has a potential positive impact on SB 40 boards, which provide essential services for Missourians with developmental disabilities.

Jasper County's SB 40 Board views this legislation as a positive and beneficial tool that would enhance the board's ability to meet the growing needs of individuals with developmental disabilities in Jasper County. HB 3467 does not restrict or reduce the board's existing property tax funding authority. Instead, it provides an additional optional revenue source that can only be implemented through a local vote, ensuring transparency and community control.

As service demands and operational costs continue to rise - particularly in areas such as workforce retention, transportation, and facility needs - the board's existing property-tax-only revenue base is increasingly insufficient. A sales tax option would allow the board to diversify funding, strengthen long-term financial stability, and better support the board's network of providers, including sheltered workshops and residential programs specifically named in the bill.

Importantly, HB 3467 maintains strict safeguards by requiring that all revenue be deposited into the same restricted SB 40 fund and used solely for the purposes stated on the ballot, protecting both accountability and mission alignment.

In response to a previous version, officials from the **St. Louis Mental Health Board (St. Louis Office for Developmental Disability Resources)** assumed this bill would provide an option for the voters to replace revenue should property taxes be reduced or eliminated. The board's only revenue is from property taxes so it is important for SB 40 Boards to have a way to replace funds. Fiscal impact would be dependent upon voter approval.

Officials from the **St. Louis City Board of Elections** assume a fiscal impact but did not provide any additional information.

Oversight assumes this proposal allows a developmental disability resource board to, upon voter approval, impose a sales tax of up to 0.5% for the purpose of establishing, improving, and maintaining the county sheltered workshop, residence, facility, or related services.

Oversight is unable to determine the fiscal impact of the proposed sales tax or how many counties may participate. Therefore, Oversight will show a range of \$0 (not approved by voters) to an unknown gain of revenue to counties.

Officials from the **City of Kansas City, Kansas City Election Board, Joint Committee on Administrative Rules, and Pulaski County SB 40 Board** 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.

In response to a previous version, officials from the **Platte County Board of Elections, St. Louis County Board of Elections** each assumed 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 SB 40 Boards 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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – (\$205.974) Developmental disability resource board sales tax, if approved by voters p.4	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <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 allows a developmental disability resource board to, upon voter approval, impose a sales tax of up to 0.5% for the purpose of establishing, improving, and maintaining the county sheltered workshop, residence, facility, or related services.

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
City of Kansas City
Platte County Board of Elections
St. Louis County Board of Elections
St. Louis City Board of Elections
Kansas City Election Board
Callaway County SB 40 Board
Jasper County SB 40 Board
St. Louis Mental Health Board (St. Louis Office for Developmental Disability Resources)
Pulaski County SB 40 Board



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March 30, 2026



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