

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2368S.01I  
Bill No.: SJR 27  
Subject: Constitutional Amendments; Taxation and Revenue - Property  
Type: Original  
Date: March 30, 2021

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Bill Summary: This proposal provides an exemption for certain personal property.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>Fully Implemented (FY 2025)</b>
General Revenue*	\$0 or More Than (\$7,000,000)	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or More Than (\$7,000,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*The potential fiscal impact of “(More than \$7,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>Fully Implemented (FY 2025)</b>
Blind Pension Fund*	\$0	\$0	\$0 or (Unknown, Substantial)	\$0 or (Unknown, Substantial)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (Unknown, Substantial)</b>	<b>\$0 or (Unknown, Substantial)</b>

\*The fiscal impact is ranged from \$0 (joint resolution is rejected by voters) to an unknown loss of property taxation revenue.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2025)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2025)
<b>Total Estimated Net Effect on FTE</b>	<b>0</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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2025)
<b>Local Government*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 or (Unknown, Substantial)</u></b>	<b><u>\$0 or (Unknown, Substantial)</u></b>

\*The fiscal impact is ranged from \$0 (joint resolution is rejected by voters) to an unknown loss of property taxation revenue. Some amount of personal property tax exemption could be shifted to other property tax payers in the state.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from **Office of the Secretary of State** 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 the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

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.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

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, they reserve the right to request funding to meet the cost of our 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 2022. 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. The next scheduled statewide primary election is in August 2022 and the next scheduled general election is in November 2022 (both in FY 2023). It is assumed the subject within this proposal could be on one of these ballots; 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 2022.

Officials from the **State Tax Commission** assume this proposal has an unknown fiscal impact to political subdivisions (school districts, cities, counties and other taxing jurisdictions) who rely on personal property tax revenue. This proposal eliminates the collection of personal property taxes in 2023 for all personal property ten years old, in 2024 nine years old, in 2025 eight years old, in 2026 seven years old.

In 2020 the Total Personal Property Taxes collected were \$1.581 Billion (\$997 million vehicles, \$509 million other personal property, \$74 million in centrally assessed personal property). Using a growth rate of 3 % the agency estimates without the exemptions proposed the range of total personal property taxes collected to be \$1.727 billion in 2023 to \$1.887 billion by 2026.

The agency does not have data to determine the amount or quantity of all categories of personal property which would be exempted by the age criteria provided, however using data from the Missouri Department of Revenue for the number of vehicles by age for 2020 as a numeric example, there were 238,162 vehicles ten years old, 218,807 nine years old, 294,311 eight years old and 247,477 seven years old, for a total of 998,757 out of 7,128,180 total vehicles of all kinds registered currently. It should be noted that motor vehicles in particular depreciate each year in assessed valuation significantly after five years, for example, by 40-60% depending on factors such as make, model, condition, mileage etc. Because of these factors, the fiscal impact of the SJR is unknown.

Officials from **Office of Administration - Budget and Planning (B&P)** assume this proposal would go to public vote at the next general election. B&P notes that the next general election will occur in November 2022.

This proposal would exempt all personal property from taxation, if such property is older than a certain amount. Table 1 shows the year of the exemption and the qualifying age of the personal property.

Table 1: Year of  
Exemption

Calendar Year	Age of Personal Property
2023	10
2024	9
2025	8
2026	7

Based on information provided by DOR, this proposal may exempt approximately 69.8% of all registered motor vehicles. Table 3 shows the number and age of qualifying vehicles. B&P notes

that this data is based on current registrations, for the purpose of this fiscal note B&P will assume that the age distribution of registered vehicles will not significantly differ from the current distribution.

Table 2: Age of Vehicles

Model Year	Registered Vehicles	% of Total Registered Vehicles
2010 or older	3,602,306	52.5%
2011	248,788	3.6%
2012	292,025	4.3%
2013	312,033	4.6%
2014	333,302	4.9%
Total	4,788,454	69.8%

Using data published by the U.S. Department of Transportation – Bureau of Transportation Statistics, B&P was able to determine the average price of new vehicles purchased between 1990 and 2019. Using the depreciation schedule allowable under IRS rules and Section 137.122, RSMo, B&P estimated the current approximate fair market value for each model year. B&P notes that under Section 137.115, the assessed value of vehicles is 33.33% of the fair market value.

B&P notes that the Blind Pension Trust Fund levies a tax on property at the rate of \$0.03 per \$100 assessed value. B&P notes that the estimates above only account for registered vehicles and does not include any other type of personal property.

Therefore, B&P estimates that proposal may reduce revenues to the Blind Pension Trust Fund by an amount that could significantly exceed \$990,141 in tax year 2023 (FY24). Once fully implemented in tax year 2026 (FY27) this could reduce revenues to the Blind Pension Trust Fund by an amount that could significantly exceed \$1,318,218 annually. In addition, B&P estimates that this section may reduce total local revenues by an amount that could significantly exceed \$279,211,760 in tax year 2023 (FY24). Once fully implemented in tax year 2026 (FY27) this proposal could reduce local revenues by an amount that could significantly exceed \$372,492,428 annually. Table 3 shows the estimated impact by year.

Table 3: Estimated Revenue Impact

Tax Year (Fiscal Year)	Blind Pension Trust Fund	Local Collections
2023 (FY24)	Could significantly exceed (\$990,141)	Could significantly exceed (\$279,211,760)
2024 (FY25)	Could significantly exceed (\$1,092,350)	Could significantly exceed (\$307,929,499)
2025 (FY26)	Could significantly exceed (\$1,201,562)	Could significantly exceed (\$339,092,235)
2026 (FY27)	Could significantly exceed (\$1,318,218)	Could significantly exceed (\$372,492,428)

Officials from the **Department of Revenue (DOR)** assume this is a constitutional amendment that would need to be voted on by the people at the November 2022 general election. If this is not adopted by the voters the impact will be \$0. If adopted this would have a fiscal impact, starting in FY 2024.

#### Revenue Impact

This proposal would exempt personal property that is older than 10 years old from personal property tax beginning in calendar year 2023 (FY 2024). Over the next four years it would additionally remove property based on its age from personal property tax. Starting in 2026 all property older than 7 years old would be exempt from personal property tax.

Property tax is calculated by determining the market value of the item. The market value changes based on an item's age and condition. The market value is then multiplied by the applicable percentage rate outlined in statute to determine the assessed value of the item. The assessed value is then multiplied by the local political subdivision's tax levy to arrive at the amount of tax owed.

The Missouri State Tax Commission notes that \$8,497,323,362 was collected in 2018 in personal property tax. It breaks down as follows:

<b>Type of Property</b>	<b>Rate</b>	
other personal property	5.99%	\$508,989,669
motor vehicles	11.74%	\$997,585,763
centrally assessed	4.89%	\$415,519,112
surtax	3.49%	\$296,556,585
commercial	20.35%	\$1,729,205,304
agricultural	1.55%	\$131,708,512
residential	51.99%	\$4,417,758,416
<b>TOTAL</b>		<b>\$8,497,323,362</b>

This bill exempts only personal property tax. Personal property tax includes the following items:

Manufactured Home	19%
Farm Machinery & Livestock	12%
Historic Cars & Planes	5%
Grain	0.05%
MV	33.33%
Tools & Equipment	25%

Therefore based on the numbers of the State Tax Commission, as much as \$1,506,575,432 (\$508,989,669 + \$997,585,763) was collected in personal property tax.

The only personal property tax collected by the state is for the Blind Pension Fund. The Blind Pension receives \$0.03 cents per \$100 of assessed value. This proposal would result in a loss of revenue to the Blind Pension Fund.

For informational purposes the Department pulled a report of all the registered vehicles in Missouri. The report is run by Model Year of the Vehicle. There are 6,856,895 vehicles registered in Missouri.

Model Year	Count(*)
2010 & prior years	3,602,306
2011	248,788
2012	292,025
2013	312,033
2014	333,302
2015	359,197
2016	361,027
2017	366,553
2018	331,761
2019	332,636
2020	257,168
2021	58,859
2022	1,240
Total All Register Vehicles	6,856,895

Based on these figures, this would result in the following number of vehicles being exempt from the personal property tax per this proposal.

	# of Exempt Vehicles	% of All Vehicles
1st year	3,851,094	56.16%
2nd year	4,143,119	60.42%
3rd year	4,455,152	64.97%
4th year	4,788,454	69.83%

With personal property tax, the older an item is, the lower the market value of the item. The Department, working with B&P, used information from the US Department of Transportation - Bureau of Transportation Statistics to determine the average depreciation values for vehicles. Using that information and the average property tax levy for Missouri of 8.5% we were able to calculate the following:

Model Year	Count(*)	Age	Year Exempt	Depreciated Value	Taxable Value	Blind Pension (per car)	Local Only Loss
2010 & earlier	3,602,306	11	2023	\$2,498	\$833	\$0.25	\$70.56
2011	248,788	10	2023	\$3,563	\$1,188	\$0.36	\$100.62
2012	292,025	9	2024	\$3,484	\$1,161	\$0.35	\$98.34



2013	312,033	8	2025	\$3,537	\$1,179	\$0.35	\$99.87
2014	333,302	7	2026	\$3,550	\$1,183	\$0.35	\$100.21

Model Year	Blind Pension	Local Only
2010 & earlier	\$900,577	\$254,178,711
2011	\$89,564	\$25,033,049
2012	\$102,209	\$28,717,739
2013	\$109,212	\$31,162,736
2014	\$116,656	\$33,400,193

The Department is unable to estimate the impact from the other personal property tax items like grain, livestock, farm machinery and manufactured homes. Therefore, we would assume this proposal would result in a loss that could greatly exceed the estimates given.

Tax Year (Fiscal Year)	Blind Pension Trust Fund	Local Collections
2023 (FY24)	(Could greatly exceed \$990,141)	(Could greatly exceed \$279,211,760)
2024 (FY25)	(Could greatly exceed \$1,092,350)	(Could greatly exceed \$307,929,499)
2025 (FY26)	(Could greatly exceed \$1,201,562)	(Could greatly exceed \$339,092,235)
2026 (FY27)	(Could greatly exceed \$1,318,218)	(Could greatly exceed \$372,492,428)

It should be noted that language in Subsections 2 and 3 of the existing language would be impacted by this new proposal. Subsection 2 provides for an increase in the rate of other property tax if there is a loss in revenue due to the exemption of certain personal property. And subsection 3 allows the voters to decrease that new rate. These provisions may have an additional fiscal impact to the local taxing jurisdictions but the Department is not able to estimate it.

#### Administrative Impact

Since property tax is administered by the counties, this proposal will not have a fiscal impact on the Department.

Officials from the **Department of Social Services (DSS)** assume Section A. Article X, Constitution of Missouri is amended to update Section 6.1. Section 6.1 outlines existing property tax exemptions and adds additional provisions to completely exempt personal property taxes on personal properties of a certain age based upon the following schedule:

Calendar Year Effective Date	Personal Property Age
2023	Greater than 10 years old
2024	Greater than 9 years old
2025	Greater than 8 years old
2026 and all subsequent years	Greater than 7 years old

The proposed constitutional amendment would impact the Blind Pension (BP) fund as all taxable property is assessed with BP funded at 0.03% of each \$100 valuation.

According to the [Missouri Department of Revenue State Tax Commission Annual Report 2020](#), \$21,841,329,053 of the \$118,918,883,729 Total Assessed Valuation for the State of Missouri comes from Tangible Personal Property (TPP). Therefore, TPP comprises about 18.37% ( $\$21,841,329,053 / \$118,918,883,729 = 18.37\%$ ) of total taxable property in Missouri. The ages of personal properties subject to taxation that would be affected by this change is unknown. Because funding for the Blind Pension program is based on a percentage of total taxable property, the Family Support Division expects a decrease in program funding proportionate to the decrease in countable taxable property, or approximately 0 -18.37%.

Property Tax income for the BP fund in SFY 2020 was \$36,641,194, or approximately \$36.6 million. Based on the expected decrease in funding of 0 to 18.37%, BP fund income will reduce by \$0 - \$6.7 million ( $\$36,641,194 * 18.37\% = \$6,730,987$ , rounded down) to as low as \$29.9 million ( $\$36.6 \text{ million} - \$6.7 \text{ million}$ ). In SFY 2020, an average of 3,706 Blind Pension recipients received a cash grant from the Blind Pension fund. The Blind Pension cash grant amount for SFY 2021 is \$750 per person per month. The Family Support Division assumes that this amount will decrease by approximately \$0 -151 to \$599 per month ( $\$6.7 \text{ million} / 3,706 / 12 = \$150.65$ , rounded up.  $\$750 - \$151 = \$599$ ), or the additional amount needed for the BP fund will have to be funded by General Revenue or a designated revenue stream.

Therefore, the fiscal impact to the Family Support Division is \$0 - \$6.7 million beginning in SFY 23.

This proposal will not result in a fiscal impact to the division of legal services (DLS). DLS neither administers nor litigates issues related to property taxation. Therefore, no additional resources would be required in the hearings, litigation, human resources, or investigations.

Officials from the **Office of the State Auditor** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary.

Officials from the **City of Springfield** anticipates a negative fiscal impact from this bill, since the bill excludes certain personal property from being taxed. The City does not have data regarding the age of personal property currently being taxed, so cannot calculate the amount of impact.

Officials from the **City of Kansas City** state this legislation provides personal property tax exemptions for personal property of a certain age between 2023 and 2026. This legislation would result in a negative fiscal impact of an indeterminate amount.

Officials from the **Newton County Health Department** assume this would cause a negative fiscal impact but the impact would be minimal. The impact would be less than \$56,000 per year as that is currently what we receive from personal property tax as it currently exists.

Officials from the **Kansas City Health Department** state there will be a fiscal impact of indeterminate amount.

Officials from the **Bollinger County Assessor's Office** state, Bollinger County being 3rd Class county, is densely populated and scarce industrial/commercial. Majority of assessment declarations reported one to three vehicles that are seven to ten years of age. With this being said this purposed legislation could negatively impact Bollinger County with no avenue for this type revenues to be recouped.

FY 2023 Loss	FY 2024 Loss	FY 2025 Loss	FY 2026
\$2,342,517	\$2,459,643	\$2,582,625	\$2,711,757

Officials from the **Boone County Assessor's Office** assume this proposal would cost the taxing entities in Boone County \$7.7 million annually when fully implemented. Sixty-three percent of all vehicles in Boone County are more than 7 years old and would be exempt from taxation.

Officials from the **Howell County Assessor's Office** state Howell County will lose \$5,192,360 in tax receipts the first year and that number will increase annually. The assessment fund will lose \$77,885 in funding and that will increase annually. Two employees with over 20 years of experience will lose their job.

Officials from the **Lincoln County Assessor's Office** state removing certain aged personal property would cause a serious fiscal impact on the taxing districts within their county to the amount of at least 1/3 of the county wide tax total each all the taxing entities. The 2020 total personal property tax county wide was a shade over \$12 million - subtracting a 1/3 would take away \$4 million dollars to the county taxing entities. This will more than likely put more strains on schools first and foremost and the other taxing districts as well.

Officials from **Perry County Assessor's Office** state the following:

- Year One - Revenues lost approximately \$1.5 million
- Year Two - Revenues lost approximately \$1.7 million
- Year Three - Revenues lost approximately \$1.9 million
- Year Four - Revenues lost approximately \$2.2 million

This legislation will eliminate close to 50% of our county's personal property tax revenue.

Officials from the **Randolph County Assessor's Office** assume there will be approximately \$7,000,000.00 in losses to county revenue.

Officials from **Ste. Genevieve County Assessor's Office** assume, based on the 2020 certified values and the average county tax rate of \$5.4243 per \$100 of assessed value, Ste. Genevieve would be impacted as follows:

- In year 2023, SG County would have a revenue loss of \$1,806,300 OR the burden shifted to those owning Real Estate.
- In year 2024, SG County would have a revenue loss of \$2,709,290 OR the burden shifted to those owning Real Estate.
- In year 2025, SG County would have a revenue loss of \$4,057,690 OR the burden shifted to those owning Real Estate.
- In year 2026, SG County would have a revenue loss of \$5,728,540 OR the burden shifted to those owning Real Estate.

Officials from the **Florissant Valley Fire Protection District** state this would have a negative financial impact on our fire district.

Officials from the **Fruitland Area Fire Protection District** state this proposal would have some fiscal impact to our budget. It is unknown how much of an impact, but given the taxation rate on older personal property the deduction should not be an amount that would cause a major void in our finances.

Officials from the **Cole Camp Ambulance District** state any reduction in taxes collected causes additional financial issues on services that rely heavily on property to make up for shortfalls in income. Increasing the county tax to cover the lost revenue puts undo stress on low income families.

Officials from the **City of Corder, City of Claycomo, Crawford County 911 Board**, and the **Nodaway County Ambulance District** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes, per a report titled the [Impact of Transportation on Affordability: An Analysis of Auto Costs](#), the authors estimate a car depreciates to ten percent of its market value after approximately 11 years. Assuming the depreciation occurred uniformly over time (notably unlikely), this would yield approximately 8.2 % depreciation per year. Based on information from the [Bureau of Transportation Statistics](#), Oversight notes the average price for new vehicle sales by year in the chart below. Oversight estimates the depreciated market value assuming 8.2% depreciation per year. Assuming an effective tax levy of \$6.90, Oversight estimates the following:

Year	Average New Price	Depreciation Factor	Est. Market Value (Depreciated)	Assessed Value (33.3 percent)
2013	\$35,368	0.100	\$3,537	\$1,178
2014	\$35,500	0.182	\$6,461	\$2,152
2015	\$36,412	0.264	\$9,613	\$3,201
2016	\$36,888	0.346	\$12,763	\$4,250

Using the portion of cars eligible based on information provided by DOR, **Oversight** estimates the tax loss to local political subdivisions as follows:

#### Impact to Local Political Subdivisions

Years Old	Proportion of Cars Eligible	Number of Cars	Estimated Tax per Car	Impact
11+ (2023 & older)*	52.54%	3,602,306	\$81	\$292,685,482
10 (2024)	3.63%	248,788	\$148	\$36,926,594
9 (2025)	4.26%	292,025	\$221	\$64,487,950
8 (2026)	4.55%	312,033	\$293	\$91,489,617

\*Includes car older than 10 years but assumes a ten year old market value this would overstate the estimated impact.

**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 limits the assessed value portion of this equation, the Blind Pension Fund will experience a decrease in revenue relative to what it would have received under current law. Below is an example of how this proposal would impact the Blind Pension Fund using the two property example.

**Oversight** estimates the following tax loss to the Blind Pension Fund:

Year	Number of Cars	Assessed Value (33.3 percent)	Est. Tax Burden Per Car	Estimated Revenue Loss
11+ (2023 & older)	4,455,152	\$1,178	\$0.35	\$1,272,790
10 (2024)	333,302	\$2,152	\$0.65	\$160,581
9 (2025)	359,197	\$3,201	\$0.96	\$280,436
8 (2026)	361,027	\$4,250	\$1.28	\$397,857

**Oversight** estimates the fully implemented cumulative impact below:

	Blind Pension	Local Political Subdivisions
FY 2024	\$1,272,790	\$292,685,482
FY 2025	\$1,433,371	\$329,612,075
FY 2026	\$1,713,807	\$394,100,025
FY 2027	\$2,111,664	\$485,589,643

Due to limited data, **Oversight** is ultimately uncertain how much of the assessed value of personal property is attributable to property in excess of seven years. Therefore, Oversight will show a range of impact of \$0 (not voter approved) to an unknown revenue loss that could be substantial for local political subdivisions and the Blind Pension Fund.

Oversight notes 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. Some taxing entities will be able to increase the tax rate levied on other property to make-up for the lost revenue. Therefore the revenue lost to the all taxing entities as a whole may be less than the amount calculated above.

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.

Based on information provided by the Office of the State Auditor, **Oversight** notes, in 2020, there were over 2,500 tax entities with 4,000 different tax rates. Of those entities, 2,980 tax rate ceilings were below the entities' statutory or voter approved maximum tax rate and 1,098 tax rate ceilings were at the entities' statutory or voter approved maximum rate. (These numbers do not include entities which use a multi-rate method and calculate a separate tax rate for each subclass of property.)

**Oversight** assumes, if passed, the personal property tax would beginning in calendar year 2023 with impacted revenues occurring in FY 2024 (December 2023). Oversight assumes this proposal would be fully implemented in calendar year 2026 with impacted revenues occurring in FY 2027 (December 2026).

<u>FISCAL</u> <u>IMPACT – State</u> <u>Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2027)
<b>GENERAL REVENUE</b>				
<u>Transfer Out -</u> Local Election Authorities the cost of the special election <b>if</b> called for by the Governor	\$0 or More Than (\$7,000,000)	\$0	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or More Than <u>(\$7,000,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>BLIND PENSION FUND</b>				
<u>Revenue Loss -</u> from exempted property tax	<u>\$0</u>	<u>\$0</u>	\$0 or (Unknown, <u>Substantial</u> )	\$0 or (Unknown, <u>Substantial</u> )
<b>ESTIMATED NET EFFECT ON BLIND PENSION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 or (Unknown, Substantial)</u></b>	<b><u>\$0 or (Unknown, Substantial)</u></b>

<u>FISCAL IMPACT</u> <u>– Local</u> <u>Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2027)
<b>LOCAL POLITICAL SUBDIVISIONS</b>				
Transfer In - to Local Election Authorities - the cost of a special election	\$0 or More Than \$7,000,000	\$0	\$0	\$0
Cost - Local Election Authorities - the cost of the special election if called for by the Governor	\$0 or More Than (\$7,000,000)	\$0	\$0	\$0
Revenue Loss - from exempted property tax	\$0	\$0	\$0 or (Unknown, Substantial)	\$0 or (Unknown, Substantial)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (Unknown, Substantial)</b>	<b>\$0 or (Unknown, Substantial)</b>

FISCAL IMPACT – Small Business

Oversight assumes there could be an impact to small businesses that own property over seven years old. Conversely, taxing jurisdictions may be able to increase the levy to all other property owners to make up for the lost revenue.

FISCAL DESCRIPTION

This constitutional amendment, if approved by the voters, provides a property tax exemption for personal property over a certain age. Beginning in the 2023 calendar year, the exemption shall apply to personal property older than ten years, with such exemption expanding each year until,

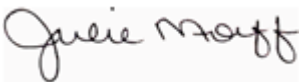


beginning in the 2026 calendar year and all subsequent years, the exemption shall apply to personal property older than seven years.

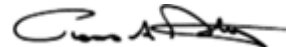
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

State Tax Commission  
Office of the State Auditor  
Office of Administration - Budget and Planning  
Department of Revenue  
Department of Social Services  
Office of the Secretary of State  
City of Claycomo  
City of Corder  
City of Kansas City  
City of Springfield  
Kansas City Health Department  
Newton County Health Department  
Bollinger County Assessor  
Boone County Assessor  
Howell County Assessor  
Lincoln County Assessor  
Perry County Assessor  
Randolph County Assessor  
Ste. Genevieve County Assessor  
Florissant Valley Fire Protection District  
Fruitland Area Fire Protection District  
Cole Camp Ambulance District  
Crawford County 911 Board  
Nodaway County Ambulance District



Julie Morff  
Director  
March 30, 2021



Ross Strobe  
Assistant Director  
March 30, 2021