

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4375S.20P
Bill No.: Perfected SS for SCS for SB 1001
Subject: Banks and Financial Institutions; Property, Real and Personal;
Type: Original
Date: March 25, 2026

Bill Summary: This proposal modifies provisions relating to real estate.

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
Blind Pension Fund (1621)*	\$0	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(Unknown)	(Unknown)

*Oversight assumes the loss of property tax revenue to the Blind Pension Fund could exceed (\$250,000) based on current assessed value amounts.

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	(Unknown)*	(Unknown)*

*Revenue loss from reclassifying single family short-term rental properties as residential property.

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.

Senate Amendment 4 (§82.1025) - Nuisance Abatements

In response to similar legislation, SB 943 (2026), officials from the **City of Kansas City** assumed the proposed legislation would have a potential positive fiscal impact of an indeterminate amount.

Oversight notes that violations of §82.1025 could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

In response to similar legislation, SB 943 (2026), officials from the **Office of the State Courts Administrator, State Tax Commission** and the **St. Louis City Assessor's Office** 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.

Senate Amendment 6 (§137.016) - Reclassification of Certain Real Property

In response to similar legislation, SCS for SBs Nos. 1066 & 1088 (2026), officials from the **Office of Administration – Budget & Planning (B&P)** noted this proposal would classify single family short-term rental property as residential real property. B&P notes that such property is currently assessed as either commercial or mixed-use (residential and commercial). Residential real property is assessed at 19% of true market value, while commercial real property is assessed at 32% of true market value.

B&P notes that in addition to local property taxes, the Blind Pension Trust fund levies a statewide property tax of \$0.03 per \$100 value. Therefore, assessing such property as only residential real property will likely result in lower state and local property tax collections by an unknown amount.

Officials from the **State Tax Commission** have reviewed this proposal and determined this proposal may have a negative impact on the taxing jurisdictions relying on property taxes as a source of revenue. Current statute allows assessors to assess single family homes as commercial properties if they are regular rented out for time periods less than a month, and this proposal would require assessors to assess these homes as residential property, which includes a lower rate.

In response to similar legislation, HB 1768 (2026), officials from the **City of Kansas City** assumed the proposed legislation has a negative fiscal impact of \$1.4 to \$1.5 million.

In response to similar legislation, SCS for SBs Nos. 1066 & 1088 (2026), officials from the **St Louis City Assessor** assumed the following fiscal impact:

Commercial tax	Residential tax	Diff in taxes
\$2,006,106	\$999,916	(\$1,006,189)

(\$1,006,189) Loss to all taxing jurisdictions
(\$201,238) Loss to City of St. Louis
(\$15,093) Loss to Collector of Revenue Fund
(\$6,289) Loss to Assessment Fund

In response to similar legislation, SCS for SBs Nos. 1066 & 1088 (2026), officials from the **County Employees' Retirement Fund (CERF)** assumed there is insufficient data to quantify SCS/SBs 1066 & 1088's exact impact. SCS/SBs 1066 & 1088 may have an unknown, possibly negative, fiscal impact to the County Employees' Retirement Fund. 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.

In response to similar legislation, SCS for SBs Nos. 1066 & 1088 (2026), officials from the **Adair County SB 40 DD Board** assumed 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 board's 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.

In response to similar legislation, SCS for SBs Nos. 1066 & 1088 (2026), officials from the **Callaway County SB 40 Board** assumed Senate Bill 1066 revises statutory definitions governing the classification of real property for property tax purposes, including residential, agricultural, and commercial categories. While the bill does not alter tax rates or levy authority, changes in property classification may shift assessed valuation among subclasses with differing assessment percentages.

Senate Bill 40 organizations, including Callaway County Special Services (CCSS), rely on levy-based property tax revenue to sustain essential community-based services for individuals with intellectual and developmental disabilities (IDD) and their families. Reclassification of property from higher-assessed commercial or industrial categories to lower-assessed residential or agricultural categories may reduce effective taxable value and slow revenue growth for local taxing entities.

Additionally, allocation of mixed-use properties across multiple subclasses may increase valuation variability and appeal activity, further affecting revenue predictability. Although the bill allows certain levy adjustments to mitigate losses, those adjustments are subject to constitutional limitations and may not fully offset long-term valuation shifts. Absent mitigation, SB 1066 may create structural fiscal pressure on levy-dependent SB40 boards by constraining revenue growth needed to keep pace with rising service demand and operational costs.

In response to similar legislation, Perfected SCS for SBs Nos. 1066 & 1088 officials from the **City of Kansas City** assume this bill will likely have a negative fiscal impact on Kansas City. The bill would require single family homes leased for a period of less than 30 days to be "residential" property, which carries a lower rate of tax per assessed value compared to commercial property. This change would likely reduce property tax revenue received from properties currently classified as commercial that would meet the requirements of a residential property under this amendment.

In response to similar legislation, SCS for SBs Nos. 1066 & 1088 (2026), officials from the **High Point R-III School District** assumed a fiscal impact but did not provide any additional information.

In response to similar legislation, Perfected SCS for SBs Nos. 1066 & 1088 (2026), officials from the **Department of Social Services** assumed the proposal will have no fiscal impact on their organization.

Oversight notes this proposal reclassifies single family short-term rental properties as residential property.

Oversight notes according to the [Property Reassessment and Taxation Manual](#) on the MO State Tax Commission website, Real Property is currently assessed as follows:

Subclass	Rate
(1) residential	19%
(2) agricultural and horticultural	12%
(3) utility, industrial, commercial, railroad, and other property	32%

Oversight notes the reduction of assessment percentage from 32% to 19%, (approximately a 41%

proportional decrease) for qualifying properties will result in a decrease in assessed value relative to current law.

Oversight is uncertain what proportion of assessed value would be reclassified under this proposal.

Oversight notes the Blind Pension Fund (1621) is calculated as an annual tax of three cents on each one hundred dollars of assessed valuation of taxable property ((Total Assessed Value/100)*.03). Because this proposal reduces 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.

Oversight does not have enough information to estimate a fiscal impact to the Blind Pension Fund or to local political subdivisions from these changes. Therefore, Oversight will show an unknown loss in property tax revenue beginning in FY 2028.

Oversight notes to reach a revenue impact of \$250,000 in the Blind Pension Fund would require a change in assessed value of approximately \$830,000,000. This would be approximately a 1.0% change in the assessed value of all residential property.

Oversight notes property tax revenues are designed to be relatively revenue neutral from year to year. The tax rate is adjusted relative to the assessed value to produce roughly the same revenue from the prior year with an allowance for growth. Therefore, this proposal may result in a higher tax rate relative to current law thus distributing more of the tax burden to other property owners.

Oversight notes some taxing entities have tax rate ceilings that are at their statutory or voter approved maximum or are at a fixed rate. 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 an actual loss of revenue.

Senate Amendment 4 (§140.010, 140.190, 140.250, 140.420, 140.980, 140.981, 140.982, 140.983, 140.984, 140.985, 140.986, 140.987, 140.988, 140.991, 140.994, 140.995, 140.1000, 140.1009, 140.1012, 141.220, 141.230, 141.250, 141.270, 141.290, 141.300, 141.320, 141.330, 141.360, 141.410, 141.440, 141.500, 141.520, 141.535, 141.540, 141.550, 141.560, 141.570, 141.580, 141.610, 141.620, 141.680, 141.700, 141.819, 141.980, 141.984, 141.1009, 141.1020 and 249.255)– Board of Directors of Newly Established Land Bank Agencies

In response to similar legislation, HB 2898 (2026), officials from the **Department of Commerce and Insurance, State Tax Commission, City of Kansas City** and the **Phelps County Sheriff Office** 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.

Senate Amendment 7 (§262.975) Classification of Certain Plants

In response to similar legislation, SB 1058 (2026), officials from the **Department of Natural Resources, Missouri Department of Agriculture, Missouri Department of Conservation,** and the **City of Kansas City** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Senate Amendment 3 (§347.048) – LLC’s Owning Real Property

Oversight notes this provision specifies that limited liability companies that own real property in St. Louis County must designate a contact person with the county clerk.

In response to similar legislation, HB 2346 (2026), officials from the **Department of Commerce and Insurance, Office of the Secretary of State** and the **Joint Committee on Administrative Rules** 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.

Senate Amendment 5 (§407.3600) – Disclosure by a Real Estate Wholesaler

In response to similar legislation, Perfected SS for SCS for SB 973 (2026), officials from the **State Tax Commission** and the **City of Kansas City** 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 notes any violation of this section shall be considered an unlawful practice under the Missouri merchandising practices act under this chapter. Oversight assumes this will have a minimal fiscal impact and will not present an impact for fiscal note purposes.

§442.703 - Institutional Buyers of Residential Property

In response to a previous version, officials from the **DOR** assumed this provision would limit the number of properties an institutional buyer may acquire and will require reporting of the number of properties owned annually to the Secretary of State’s Office. This provision will not fiscally impact DOR.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight notes the proposal states the AGO will have the authority to investigate alleged violations and enforce compliance with this act.

Officials from the **Attorney General's Office (AGO)** did not respond to **Oversight's** request for fiscal impact for this proposal.

Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Oversight notes that violations of §442.703 could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 or Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

In response to a previous version, officials from the **Office of the State Courts Administrator** 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.

Senate Amendment 2 (§442.920) – Missouri Residential Sale Leaseback Protection Act

In response to similar legislation, SB 1684 (2026), officials from the **Department of Economic Development** and the **State Tax Commission** 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 assumes this amendment creates the “Missouri Residential Sale Leaseback Protection” act which regulates sale leasebacks. In any sale leaseback transaction, a buyer is required to provide the seller with certain disclosures, described in detail in the act, alerting the seller of the nature of the transaction and advising them of certain actions they may wish to take. Oversight notes any violation of this section may have a civil action brought to seek damages. Oversight assumes this will have a minimal fiscal impact and will not present an impact for fiscal note purposes.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Revenue, Department of Commerce and Insurance, Department of Economic Development,** and the **Department of Social Services** 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 only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions 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.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** noted many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
BLIND PENSION FUND (1621)			
<u>Revenue Loss</u> - (§137.016) Loss of tax revenue from the reclassification of certain single family short-term rental properties p.6	\$0	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON BLIND PENSION FUND (1621)	\$0	(Unknown)	(Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain – Local School Districts</u> (§82.1025) Potential fine revenue p.3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Loss - (\$137.016) Loss of tax revenue from the reclassification of certain single family short-term rental properties p.6</u>	\$0	(Unknown)	(Unknown)
<u>Revenue Gain – School districts</u> (§442.703) Potential fine revenue, if violations occur p.8-9	\$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>	(<u>Unknown</u>)	(<u>Unknown</u>)

FISCAL IMPACT – Small Business

There could be a fiscal impact on small businesses if tax rates/taxes are adjusted relative to changes in assessed values.

FISCAL DESCRIPTION

This act modifies provisions relating to real estate.

NUISANCE ACTIONS (Section 82.1025)

This act applies certain current law provisions regarding nuisance actions to the City of Independence. Furthermore, in addition to any other penalties or costs associated with the abatement of a nuisance, any person or entity that is not a resident of this state and who is an owner of property found to have a code or ordinance violation shall be subject to a civil fine of \$2,000 per violation. Any property found to have a code or ordinance violation that is structurally unsafe or poses a threat to persons or other property shall have such nuisance abated within one year of the code or ordinance violation. Any such property that is not abated within one year, and any property with unpaid civil fines within two years of the imposition of the fine shall be subject to sale by the taxing jurisdiction in which the property is located. The property shall be sold in an amount that will satisfy the costs incurred for abating the property as well as any outstanding civil fines. Such sale shall coincide with the sale of delinquent properties as provided in current law.

CLASSIFICATION OF CERTAIN RESIDENTIAL REAL PROPERTY (Section 137.016)

This act modifies the definition of "residential property" for the purposes of the taxation of real property by providing that such definition shall include single family homes that are owned by a sole proprietor, individual, partnership, or limited liability company and leased, in whole or in part, for a term of less than thirty consecutive days, provided that such provision may not apply to any such property in excess of fifteen such properties owned by the same individual or business.

LAND BANKS (Sections 140.010 to 141.1020 and 249.255)

This act makes technical changes throughout state law relating to the sale of delinquent property to satisfy delinquent property taxes. (Multiple sections)

Current law requires a parcel located in certain counties to have unpaid taxes for a period of at least two years prior to the county satisfying such delinquent taxes through judicial foreclosure rather than through sale at auction. This act repeals such two year requirement. (Section 140.010 and 141.230)

Current law provides for the appointment of county land bank directors by various agencies. This act provides that the appointment of such directors shall be appointed by the county executive pursuant to the county charter. (Section 140.982)

Current law requires a land bank agency to verify that a buyer is not the original owner or relative owner of the property. This act repeals such requirement. (Section 140.987)

Current law allows a land bank agency to purchase a parcel of real property only for the purpose of adding to a parcel already owned by the land bank agency. This act repeals such provision. (Section 141.984)

CLASSIFICATION OF CERTAIN PLANTS (Section 262.975)

This act provides that helianthus annuus shall not be considered an agricultural crop for the purposes of chapter 89 relating to local planning and zoning.

LIMITED LIABILITY COMPANIES - OWNERSHIP OF REAL PROPERTY (Section 347.048)

Currently, limited liability companies that own or rent real property in specified political subdivisions are required to designate, by affidavit, the name and street address of a natural person with management control or responsibility for the real property. This act adds any county with more than one million inhabitants to that list of political subdivisions.

REAL ESTATE WHOLESALER DISCLOSURES (Section 407.3600)

This provision requires a wholesaler, as defined in the act, acting as a grantee or a wholesaler's representative, to provide to the property owner a written disclosure not less than fourteen calendar days before entering into a contract that transfers an interest in residential real property.

A wholesaler acting as a grantee shall not enter into a contract that transfers an interest in residential property until both the wholesaler and the property owner sign and date the disclosure.

If the wholesaler acting as the grantee fails to make the disclosure before entering into the contract that transfers interest in the property, the owner of the property may cancel the contract before the close of the escrow without penalty and the escrow agent shall disburse any earnest money paid by the wholesaler to the owner within 30 days after the cancellation.

These provisions may not be modified or waived by any agreement. Any portion of an agreement executed, modified, or extended after the effective date of this act that modifies or waives provisions of the act shall be null and void.

Any violation of this provision shall be considered an unlawful practice under the Missouri Merchandising Practices Act. A party that enters into an agreement without receiving the required disclosure may bring a private action against a wholesaler.

The Attorney General is given authority to enforce these provisions. For any violations, the Attorney General may commence a civil action. If the court finds that a violation occurred, the court may grant relief as described in the act.

MISSOURI RESIDENTIAL SALE LEASEBACK PROTECTION ACT (Section 442.920)

The act creates the "Missouri Residential Sale Leaseback Protection" act, which regulates sale leasebacks. A sale leaseback is defined as a transaction or series of transactions in which a seller sells residential real estate that is or was the seller's residence to another party and, as a condition of the sale, or as part of the same or a related transaction, enters into a lease or rental agreement to remain in or re-occupy the property.

In any sale leaseback transaction, a buyer is required to provide the seller with certain disclosures, described in detail in the act, alerting the seller of the nature of the transaction and advising them of certain actions they may wish to take. The disclosure must be provided to the seller not more than 10 days and not less than 3 business days before the execution of any sale leaseback agreement, and the disclosure shall be signed by both the seller and the buyer concurrently with the execution of the sale leaseback agreement.

Violation of this act is subject to a fine of up to \$10,000 per violation. The Attorney General is permitted to enforce this act by bringing a cause of action seeking injunctive relief, civil penalties, and restitution. A seller is also permitted to bring a civil action if harmed by a violation of this act. A seller may recover actual damages, statutory damages up to \$10,000, attorneys' fees and costs, and any equitable or injunctive relief.

This act may not be waived or modified by agreement of any party.

AMERICAN DREAM ACT (Section 442.703)

This act creates the "American Dream Act." Institutional buyers, as that term is defined in the act, shall not acquire a single-family residential property in this state unless such single-family residential property has been publicly listed for sale for more than 90 days and is not at such time subject to a binding sales agreement.

This provision contains various exemptions.

This act contains a severability clause.

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 the State Courts Administrator
State Tax Commission
Office of Administration - Budget and Planning
Department of Social Services
Department of Commerce and Insurance
Department of Natural Resources
Missouri Department of Agriculture
Missouri Department of Conservation
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Economic Development
City of Kansas City
St. Louis City Assessor's Office
County Employees' Retirement Fund
Adair County SB 40 DD Board
Callaway County SB 40 Board
High Point R-III School District
Phelps County Sheriff



Julie Morff
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March 25, 2026



Jessica Harris
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March 25, 2026