

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5365H.09C
 Bill No.: HCS for SS No. 2 for SCS for SB 1023
 Subject: Political Subdivisions; Libraries and Archives; Water Resources and Water Districts; County Officials; County Government; Salaries; Elections; Alcohol
 Type: Original
 Date: April 29, 2026

Bill Summary: This proposal modifies provisions relating to political subdivisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue	\$0	\$0 or Unknown	\$0 or Unknown

*Oversight assumes the unknown impact would not meet the \$250,000 threshold.

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	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§50.333 – Removal of Prosecuting Attorney and Sheriff from the County Salary Commission

In response to similar legislation, Perfected HB 1825 (2026), officials from the **Missouri Office of Prosecution Services** and the **Office of the State Courts Administrator** 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.

§115.127 – Deadline for Filing Declaration of Candidacy

In response to similar legislation, HB 1987 (2026), officials from the **Office of the Secretary of State** and the **Kansas City Election Board** 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.

§182.291 – City-County Library Boards of Trustees in St. Charles County

In response to similar legislation, HCS for HB Nos. 1728, 2161 & 1830 (2026), officials from the **Office of the Secretary of State (SOS)** assumed 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.

Oversight notes that the cities of O’Fallon & Weldon Springs, St. Charles County and the St. Charles City-County Library are currently on-boarded in Oversight’s Missouri Legislative Information System (MOLIS) but did not provide a fiscal impact response for this proposal.

Oversight assumes this proposal codifies procedures in statute on how trustees will be appointed to a city-county library board. Oversight assumes no fiscal impact from this proposal.

§182.711 – Change in the Fiscal Year Date for Urban Library Districts

In response to similar legislation, SB 1675 (2026), officials from the **Office of the Secretary of State** assumed 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.

§182.802 – Public Libraries Sales Tax

Officials from the **Department of Revenue (DOR)** state currently certain counties are allowed to have a sales tax to fund their public library district. This proposal would expand to allow most counties to adopt a sales tax for their library district.

However, language added would require some of the counties to reduce their property tax levy they have for their library should they adopt the sales tax. This would result in a fund swap rather than an increase for the library. This proposal does require a vote of the citizens to have the sales tax.

DOR notes this sales tax must be approved by the voters of the county before it can be implemented. 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 sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2027 (FY 2028) if adopted by the voters. Sales tax is remitted one month behind collection of the tax, so DOR estimates an impact for FY 2028 of 8 months.

DOR notes that DOR can retain 1% of the amount collected as reimbursement for DOR's expenses. DOR is unable to determine how many of these counties will take the sales tax to the voters. DOR notes, that if passed this will require the Department to make changes to Revenue Premier, Rate Manager, MyTax portal, Avalara Sales and use tax rate map, and website changes. These changes are estimated at \$7,547 per system change (\$30,188) per library district added.

Oversight notes, if enacted, this proposal allows counties to collect up to one-half of one cent sales and use tax to help fund the operation and maintenance of public libraries within the boundaries of such library districts. Cass and Johnson Counties can only collect up to 1/3rd of 1% and would eliminate real and personal property taxes if a sales tax is enacted. St. Charles County and Cape Girardeau County would have a reduction in their real and personal property taxes by 100% of the sales tax collected in the same year.

Oversight does not have the information to determine how many counties would participate in this sales tax or when the counties would participate. Therefore, Oversight will show a \$0 (no voter approval) or unknown revenue gain to local political subdivisions starting in FY28 and thereafter. Oversight will also show DOR's administrative fee to General Revenue of \$0 (no voter approval) or unknown revenue gain starting in FY28.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related website changes related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight notes §182.802.2(2) deals with St. Charles County and Cape Girardeau County. If a sales tax is imposed according to this section, then the real and personal property tax levy will be reduced each year by 100% of the total amount of sales tax revenue collected in the same year for the purpose of providing funding for the library district. Therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue loss for this section of the proposal.

Oversight also notes §182.802.2(3) deals with Cass and Johnson Counties. If a sales tax is imposed according to this section, then the real and personal property tax levies will be eliminated each year in which the sales tax is imposed. Therefore, Oversight will also reflect a \$0 (no voter approval) or unknown revenue loss for this section of the proposal.

In response to a previous version, officials from the **Office of Administration - Budget and Planning (B&P)** deferred to the local public library districts for the fiscal impact of any vote by the library board to submit a sales tax of not more than one-half of one percent to the voters of the district. The county governing body must comply with the public vote directed by the library board of directors.

In response to a previous version, officials from the **Springfield-Greene County Library District** stated this proposal is tax neutral and will not have an impact on the library district.

Responses regarding the proposed legislation as a whole for §§182.711 & 182.802

In response to a previous version, officials from the **Rolling Hills Consolidated Library** assumed 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.

§247.220 – Dissolution of a Public Water Supply District

In response to similar legislation, Perfected HB 2397 (2026), officials from the **Office of the Secretary of State** and the **High Point R-III School District** 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.

In response to similar legislation, SB 365 (2025), officials from the **Kansas City Election Board** stated that if an election is held, the cost to conduct an election in the Kansas City portion of Jackson County could be up to \$800,000, depending on when it is called and what other entities participate.

Oversight assumes the timing for an election to dissolve a public water supply district would take place during a regular election cycle (April or November) to streamline any election costs that would be impacted. Therefore, Oversight will assume no direct fiscal impact from this proposal.

In response to similar legislation, SB 365 (2025), officials from the **Office of the State Courts Administrator, Jackson County Election Board, Metropolitan St. Louis Sewer District, Osceola Water/Wastewater District** and the **South River Drainage District** 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.

In response to similar legislation, SB 365 (2025), officials from **Morgan County PWSD #2** and **St. Charles County PWSD #2** responded to **Oversight's** request for response but did not provide a fiscal impact statement.

Oversight assumes this proposal is codifying in statute specific requirements for the dissolution of a public water supply district. Oversight assumes no fiscal impact for this proposal.

§311.038 – Alcoholic Beverages

In response to similar legislation, HCS for HB 3347 (2026), officials from the **Office of Administration** assumed 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.

Oversight notes this section also contains an emergency clause.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Natural Resources, Department of Public Safety (Division of Alcohol and Tobacco Control), Platte County Board of Elections, St. Louis City Board of Elections, St. Louis County Board of Elections, City of Kansas City, Phelps County Sheriff's Office, Wayne County PWSD #2** 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.

Except for what was stated in §182.802, **DOR** assumes no fiscal impact to the other sections of this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, local election authorities, counties, county circuit clerks, county collectors, county treasurers, county public administrators, sheriffs, school districts, utility districts and public libraries 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
GENERAL REVENUE			
<u>Revenue Gain</u> – DOR (§182.802) 1% administrative fee p.4	\$0	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – Counties (§182.802) to help fund maintenance and operations for Public Libraries p.4	\$0	\$0 or Unknown	\$0 or Unknown
<u>Revenue Loss</u> – St. Charles and Cape Girardeau Counties (§182.802.2(2)) potential reduction in real and personal property tax levy by 100% if sales tax is imposed p.5	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue Loss</u> – Cass & Johnson Counties (§182.802.2(3)) potential elimination of all real and personal property tax levies if sales tax is imposed p.5	\$0	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0	\$0 or <u>Unknown to (Unknown)</u>	\$0 or <u>Unknown to (Unknown)</u>

FISCAL IMPACT – Small Business

Small businesses within these proposed counties could be impacted by this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to political subdivisions.

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
Office of Administration - Budget and Planning
Office of the State Courts Administrator
Office of the Secretary of State
Office of the State Auditor
Rolling Hills Consolidated Library
Springfield-Greene County Library District
Department of Natural Resources
Department of Public Safety
 Division of Alcohol and Tobacco Control
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
City of Kansas City
Wayne County PWSD #2
High Point R-III School District
Kansas City Election Board
Jackson County Election Board
Metropolitan St. Louis Sewer District
Osceola Water/Wastewater District
South River Drainage District
Morgan County PWSD #2
Missouri Office of Prosecution Services
Phelps County Sheriff's Office
Office of Administration
St. Charles County PWSD #2



Julie Morff
Director
April 29, 2026



Jessica Harris
Assistant Director
April 29, 2026