

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5988S.17P
 Bill No.: Perfected SS for SCS for SB Nos. 1410 & 853
 Subject: Taxation and Revenue - Property
 Type: Original
 Date: April 29, 2026

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(More than \$349,402)	(More than \$369,975)	(More than \$372,721)
Total Estimated Net Effect on General Revenue	(More than \$349,402)	(More than \$369,975)	(More than \$372,721)

*Oversight notes an estimated cost for 2 FTE for the Office of the State Auditor, an automotive trade publication and an unknown cost related to the appropriations to the Missouri School Facilities Partnership Fund.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Blind Pension Fund (1621)**	\$0	(Unknown)	(Unknown)
Missouri School Facilities Partnership Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(Unknown)	(Unknown)

**Oversight notes the loss of tax revenue from the reclassification of certain single family short-term rental properties could exceed the \$250,000 threshold.

*Transfer Ins less Transfer Outs net to zero.

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
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

- 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) to Unknown	(Unknown) to Unknown

*Oversight cannot reasonably estimate the net effect on the local political subdivisions with the information available.

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). 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.

§115.240 - Ballot Labeling

Oversight assumes this provision requires an election authority to label tax ballot measures numerically or alphabetically in the order in which they are submitted

Oversight does not anticipate a fiscal impact from this provision. However, Oversight received a limited number of responses from local political subdivisions 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.

§137.067 – Modifying a Tax on Residential Real Property

Oversight does not anticipate a fiscal impact from this provision. However, Oversight received a limited number of responses from local political subdivisions 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.

§§137.073 & 137.115 - Levies by Subclass

Officials from the **Office of the State Auditor (SAO)** state due to the increased volume of tax rates to review, an additional 2 FTE will be required to meet the increased tax certification review demands from abolition of the opt-out provision. Currently, all but one county (STL county) and the City of Gladstone in Clay County utilize the single rate method.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the SAO.

Oversight assumes this provision requires counties and cities not within countries to set and revise rates of levy for each subclass of real property and personal property.

Oversight assumes jurisdictions that previously opted out may experience shifts in tax burden among property subclasses and/or changes in effective levy rates. Therefore, Oversight will show an unknown revenue impact to local political subdivisions beginning in FY 2028.

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 $((\text{Total Assessed Value}/100) \cdot .03)$. 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.

§137.073 – Temporary vs. Permanent Levy

Oversight assumes this provision specifies that, if the voters in a political subdivision approve a temporary levy increase prior to the expiration of a previously approved temporary levy increase, the new tax rate ceiling will remain in effect only until the temporary levy increase expires under the terms originally approved by a vote of the people. At that time, the tax rate ceiling will be decreased by the amount of the temporary levy increase unless voters of the political subdivision are asked to approve an additional permanent increase and such increase is approved.

Oversight does not anticipate a fiscal impact from this proposal. Therefore, Oversight will reflect a zero impact in the fiscal note.

§137.073 - Voter-Approved Increased Tax Rate Ceiling

Oversight assumes this provision clarifies the treatment of voter-approved increases to property tax rate ceilings. Oversight assumes this provision does not mandate a tax increase; it only governs the treatment of rates already approved by voters. Therefore, Oversight does not anticipate a fiscal impact from this proposal. Therefore, Oversight will reflect a zero impact in the fiscal note.

§137.073.6(3) – Reports from Taxing Authorities

Oversight assumes this provision adds language for taxing authorities to report to the Office of the State Auditor if there is an increase in the rate of levy of debt service. Oversight assumes no impact from this provision of the 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.

§137.115.1(5) - Subclass (3) Real Property Valuation

In response to similar legislation, Re-Perfected HCS No. 2 for HB 2780 (2026), officials from the **St Louis City Assessor** assumed this change is not practical and do not comport with real estate valuation norms. Real Estate professionals are aware that residential and commercial property valuation are different and unique disciplines – the same rules do not apply to one as it does to the other.

The requirement that there be sales of at least 3 comparable properties may not be possible for some property types (casinos, data centers, stadiums, arenas, natural or petroleum gas storage, etc.) Additionally, for some commercial sales, like hotels and motels, the sales prices include business value and personal property value and would overstate the value to the land and buildings if required to be used.

Furthermore, sales of commercial properties are rarely within a mile of each other. Many property types may be the only one in a jurisdiction (casino, data center) or may be spread out in location and not typically grouped together (malls, grocery, veterinary, etc.) There have been many professional appraisals provided to assessors on specialty properties where sales comparisons come from the Midwest region or from elsewhere in the continental states.

The requirement to be with 500 sq.ft. in size would likely result in no comparable sales being applied to any commercial property. When dealing with a 100,000 sq.ft. warehouse, comparables of anywhere from 50,000 to 150,000 or more might be used. For large offices of 500,000 sq.ft., comparables may range in size from 250,000 sq.ft. to 1,000,000 sq.ft. Because commercial properties are often tens of thousands of square feet, it would be very difficult, if not almost impossible, to meet this requirement.

The sales approach is not always used, nor is it always the best indicator of value for commercial property. The Income Approach is used in many commercial valuations because it is more relevant to market value in many cases, such as office buildings, retail property, many industrial and warehouse properties, hotels and motels, and many others. Requiring sales information for property that is more appropriately valued by the income approach will have a negative effect on the assessment process in Missouri.

§137.115 - Mandatory Physical Inspections

In response to similar legislation, Re-Perfected HCS No. 2 for 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

In response to similar legislation, Re-Perfected HCS No. 2 for HB 2780 (2026), officials from the **St Louis City Assessor** assumed the requirement to inspect commercial properties increasing by more than 15% would require additional resources. One to two additional field appraisers at a total cost of \$65k per employee would be expected.

Oversight assumes this provision states a property owner may request physical inspection of the property if the assessed valuation of such property (subclass (3) real property) increases by more than 15% since the last assessment.

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 2027.

§137.115.9 – Automotive Trade Publications

Officials from the **State Tax Commission (STC)** assume that it will cost the state \$200,000 to purchase the guide as well as the cost of licensing for each county in the state. **Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the STC.

§§137.180, 137.355 & 137.490 – Assessor to Notify Owner on Valuation Increases

Oversight assumes this proposal changes the dates of when the county assessor notifies a taxpayer if there is an increase in the taxpayer’s real property valuation and when a taxpayer can file an appeal. Oversight assumes no fiscal impact from this proposal.

§139.053 – Payment Options of Property Taxes for Township Counties

In response to a previous version, officials from the **City of Kansas City** assumed the proposed legislation has a negative fiscal impact of an indeterminate amount due to the time value of money of taxpayers paying semiannual or quarterly instead of annually.

Oversight notes current law authorizes counties to provide for the payment of real and personal property taxes in installments but excludes township counties from utilizing such payment plans.

This act repeals such prohibition for township counties. Oversight assumes this legislation allows townships the option to pass an order or ordinance to allow taxpayers the option to pay any part of their real and personal property taxes on an annual, semiannual, quarterly, monthly or weekly basis. Oversight assumes no fiscal impact from this proposal.

§140.010 – Trusted Contact Program for Delinquent Property Tax Notices

In response to a previous version, officials from the **Howell County Assessors’ Office** assumed the proposed changes conflict with §§138.010, 138.050, 138.090, 138.100 and 138.170, RSMo. The changes will put the Board of Equalization opening date after the date for it to open, unless the intention is to leave it open for an entire year.

In response to a previous version, officials from the **St. Louis City Assessors’ Office** stated while there is no direct fiscal impact on the Assessor’s office, there will be other impacts. The change to the June 1st notification date by the assessor (instead of June 15th) will impact the amount of time assessors have to perform duties. Two weeks doesn’t sound like a lot, but every day counts in the enormity of the reassessment process.

More concerning is moving the deadline to appeal back to August 1st (instead of the 2nd Monday in July). Again, 2 to 3 weeks does not sound like much, but it will be impactful.

Adding time to the process is not the issue. The issue is not adding corresponding time for the Assessor and/or the Board of Equalization (BOE). It will make an already challenging administrative problem worse from having even less time. When taxpayers have more time to appeal but the Assessor/BOE is not given additional time also, it will likely result in continued frustration on the part of the taxpayers; for any appeals filed at the Aug. 1st date, there will be a rush to get them all scheduled by the existing end of August deadline for the BOE and they will likely be crammed in to the schedule instead of allowing ample time.

Oversight assumes no direct fiscal impact from this proposal.

§164.151 – Ballot Language

Oversight does not anticipate a fiscal impact from these provisions. However, Oversight received a limited number of responses from local political subdivisions 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.

Responses regarding the proposed legislation as a whole

In response to a previous version, officials from the **Joint Committee on Public Employee Retirement (JCPER)** stated the provisions in the proposal may constitute a “substantial proposed change” in future plan benefits as defined in section 105.660(10). It is impossible to

accurately determine the fiscal impact of this legislation without an actuarial cost statement prepared in accordance with section 105.665. Pursuant to section 105.670, an actuarial cost statement must be filed with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information for at least five legislative days prior to final passage.

In response to a previous version, officials from the **Office of Administration - Budget and Planning, Department of Commerce and Insurance, Department of Elementary and Secondary Education, Department of Social Services, Platte County Board of Elections, St. Louis County Board of Elections, Newton County Health Department, Kansas City Police Department** and the **St. Louis County Police Department** 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.

Rule Promulgation

In response to a previous version, officials from the **Joint Committee on Administrative Rules** assumed 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.

Senate Amendment 1 (SA 1) §137.1050.6 – SB 190 Tax Credit Application

Oversight notes this provision states eligible taxpayers shall not be required to reapply for the credit annually. Oversight does not anticipate an additional fiscal impact from this provision.

Senate Amendment 1 (SA 1) §1 – Grace Period on Assessment Related Filings

Oversight notes this provision states that the county assessor, township assessor or other county designee may allow a grace period not to exceed ten days following the statutory deadline for submission of forms when such forms are transmitted through the United States Postal Service. Oversight does not anticipate an additional fiscal impact from this provision.

Senate Amendment 2 (SA 2) §137.1060 – Report on Property Tax Credits Provided to School Districts

Oversight notes this provision requires the district secretary of school districts to include the total amount of property tax credits authorized by §§137.1050 & 137.1055 that are applicable to the district for the prior year. Oversight does not anticipate an additional fiscal impact from this provision.

Senate Amendment 3 (SA 3) §1.1 – Missouri Taxpayer Debt Relief & School Facilities Act

Oversight notes this provision provides state support for public school facility projects that are currently funded by local property taxpayers. Oversight notes subsection adds definitions relating to the act and Oversight does not anticipate an additional fiscal impact from this provision.

Senate Amendment 3 (SA 3) §1.3 – Missouri Commission on Academic Facilities

Oversight notes this provision creates a commission to administer the Missouri Academic Facilities Partnership Fund along with other duties. Oversight does not anticipate an additional fiscal impact from this provision.

Senate Amendment 3 (SA 3) §1.7 – Missouri School Facilities Partnership Fund (MSFPF)

Oversight notes this provision creates a fund appropriated by the General Assembly to provide funding for school districts who apply to the commission for state financial participation in an academic facilities project. Oversight does not have the information to determine what may be appropriated for this fund annually. Therefore, Oversight will reflect a \$0 or unknown transfer out to the MSFPF. Oversight will also show the MSFPF netting to zero from the GR funding coming in and a transfer out going to school districts.

Senate Amendment 4 (SA 4) §137.016 - Reclassification of Certain Real Property

In response to similar legislation, Perfected SS for SCS for SB Nos. 1066 & 1088, 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.

In response to similar legislation, Perfected SS for SCS for SB Nos. 1066 & 1088, 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, Perfected SS for SCS for SB Nos. 1066 & 1088, 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, Perfected SS for SCS for SB Nos. 1066 & 1088, 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, Perfected SS for SCS for SB Nos. 1066 & 1088, officials from the **County Employees' Retirement Fund** 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, Perfected SS for SCS for SB Nos. 1066 & 1088, 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, Perfected SS for SCS for SB Nos. 1066 & 1088, 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 SS for SCS for SB 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, Perfected SS for SCS for SB Nos. 1066 & 1088, 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 SS for SCS for SB Nos. 1066 & 1088, officials from the **Department of Social Services** assume the proposal will have no fiscal impact on their organization.

In response to similar legislation, Perfected SS for SCS for SB Nos. 1066 & 1088, officials from the **City of O'Fallon** each 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 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other 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.

Responses regarding the proposed legislation as a whole, as amended

Officials from the **Phelps County Sheriff's Office** and the **Branson Police Department** 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 cities, local election authorities, counties, county health departments, county recorders, county assessors, county collectors, county treasurers, local law enforcement agencies, fire protection districts, ambulance districts, school districts, community colleges 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>Transfer Out</u> – (§1.7 - SA 3) to MSFPF	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – SAO (§137.115)			
Personnel Service	(\$80,000)	(\$97,920)	(\$99,878)
Fringe Benefits	(\$59,403)	(\$72,055)	(\$72,843)
Expense & Equipment	(\$10,000)	\$0	\$0
Total Cost	(\$149,402)	(\$169,975)	(\$172,721)
FTE Change	2 FTE	2 FTE	2 FTE
<u>Cost</u> – STC (§137.115.9) – potential cost for an automotive trade publication	\$0 or (More or less than \$200,000)	\$0 or (More or less than \$200,000)	\$0 or (More or less than \$200,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(More than \$349,402)	(More than \$369,975)	(More than \$372,721)
Estimated Net FTE Change on General Revenue	2 FTE	2 FTE	2 FTE
BLIND PENSION FUND (1621)			
<u>Revenue Loss</u> - (§137.016 SA 4) Loss of tax revenue from the reclassification			

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
of certain single family short-term rental properties p.12	\$0	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON BLIND PENSION FUND (1621)	\$0	(Unknown)	(Unknown)
MISSOURI SCHOOL FACILITIES PARTNERSHIP FUND			
<u>Transfer In</u> - (§1.7 - SA 3) – from GR p.9	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> – School Districts (§1.7 - SA 3) – for state financial participation in an academic facilities project p.9	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON MISSOURI SCHOOL FACILITIES PARTNERSHIP FUND	\$0	\$0	\$0
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> – School Districts (§1.7 - SA 3) – from the MSFPF p.9	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Loss</u> - (§137.016) Loss of tax revenue from the reclassification of certain single family short-term rental properties p.12	\$0	(Unknown)	(Unknown)
<u>Cost</u> – Counties (§137.115) Mandatory physical inspections p.5	\$0	(Unknown)	(Unknown)
<u>Revenue Loss/Gain</u> - (§137.115) Levies by Subclass	\$0	(Unknown) to Unknown	(Unknown) to Unknown

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>Unknown</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>

FISCAL IMPACT – Small Business

Small businesses who own property could be impacted by §137.180 of this proposal.

There could be a fiscal impact with §137.016 on small businesses if tax rates/taxes are adjusted relative to changes in assessed values.

FISCAL DESCRIPTION

This act modifies provisions relating to property taxes.

TAX BALLOT MEASURE LANGUAGE

This act requires an election authority to label tax ballot measures numerically or alphabetically in the order they are submitted. Election authorities may coordinate with each other, or with the Secretary of State, to maintain a database or other record and to ensure that the same measure shared on the ballot of multiple jurisdictions at the same election will have the same numerical or alphabetical assignment. (Section 115.240)

This act requires any ballot measure seeking to add, change, or modify a tax on residential real property to express the effect of the proposed change within the ballot language in terms of the change in dollars owed per \$100,000 of a property's market valuation. (Section 137.067)

PROPERTY TAX LEVIES

Current law allows taxing jurisdictions to impose either a single property tax levy for all property types or a different levy for each class and subclass of property. This act provides that, beginning on January 1, 2027, each county and city not within a county shall determine the assessed valuation, set and revise levies, and make adjustments to levies for each subclass of real property, individually, and personal property, in the aggregate. (Section 137.073.2(2) and (4); section 137.079; and section 137.115.16)

If, prior to the expiration of a temporary levy increase, voters are asked to approve an additional permanent levy increase, voters shall be submitted ballot language that clearly indicates that if the permanent levy increase is approved, the temporary levy shall be made permanent. (Section 137.073.5(3))

This act provides that, if the total assessed valuation in a political subdivision decreases in the tax year immediately following a tax year in which the voters approved an increase to the tax rate ceiling, such political subdivision may increase its levy such that the revenue received

equals the amount that would have been received from the increased rate of levy had there been no decrease in the total assessed valuation. (Section 137.073.5(6))

This act requires any taxing jurisdiction that is required to roll back its property tax levy to separately report to the State Auditor any increase in the rate of levy for debt service made during the same year. The State Auditor shall provide such data aggregated by taxing authority in an easily accessible format on the State Auditor's website, and the State Auditor may perform an audit on any such taxing authority to ensure compliance with the provisions of law and the Constitution requiring tax levy rollbacks. (Section 137.073.6(3))

Current law provides that the burden of proof to sustain a property valuation shall be on the assessor for any assessment of residential real property that is made by a computer, computer-assisted method, or a computer program. This act applies such provision to all non-agricultural real property. (Section 137.115.1(5))

Current law requires an assessor to conduct a physical inspection prior to increasing the assessed value of residential real property by more than 15%. This act allows the property owner of any non-agricultural real property to request a physical inspection if the assessed value of such property has increased by more than fifteen percent since the last assessment. (Section 137.115.10)

MOTOR VEHICLE ASSESSMENTS

Current law requires assessors to use a publication selected by the State Tax Commission to determine the true value of motor vehicles. This act requires the State Tax Commission to develop the bid specifications to select and secure such publication, and to secure an annual appropriation from the General Assembly for the publication. The State Tax Commission shall ensure that all assessors have access to the publication. (Section 137.115.9)

PROPERTY TAX DEADLINES

Current law requires a county assessor to provide notification to a taxpayer by no later than June 15 if the assessor increases the taxpayer's real property valuation. This act requires such notice to be provided by no later than June 1. (Sections 137.180, 137.355, and 137.490)

PROPERTY TAX INSTALLMENTS

Current law authorizes counties to provide for the payment of real and personal property taxes in installments on an annual, semiannual, or quarterly basis, but excludes township counties from utilizing such payment plans. This act repeals such prohibition for township counties and allows the form of the installments to also be made on a monthly or weekly basis. (Section 139.053)

DELINQUENT PROPERTY TAX NOTICES

This act authorizes a collector to offer a trusted contact program to a taxpayer, who may designate one or more trusted contacts for the collector to contact in the event the taxpayer has not paid the taxpayer's property tax liability by March 1 of a calendar year. (Section 140.010)

SCHOOL DISTRICT BOND ISSUES

Current law requires bond issues for school districts to include certain ballot language. This act modifies such language by adding a clause including the length of time it is estimated the district's bonded indebtedness would be extended. (Section 164.151)

SEVERABILITY

This act contains a severability clause. (Section B)

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 Administration - Budget and Planning
State Tax Commission
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Social Services
Office of the Secretary of State
Joint Committee on Public Employee Retirement
Platte County Board of Elections
St. Louis County Board of Elections
City of Kansas City
Newton County Health Department
Boone County Assessor
Howell County Assessors' Office
St. Louis City Assessors' Office
Phelps County Sheriff's Office
Branson Police Department
Kansas City Police Department
St. Louis County Police Department
County Employees Retirement Fund
High Point R-III School District
City of O'Fallon
Adair County SB 40 DD Board
Callaway County SB 40 Board
Joint Committee on Administrative Rules



Julie Morff
Director
April 29, 2026



Jessica Harris
Assistant Director
April 29, 2026