

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5369S.01I  
 Bill No.: SJR 84  
 Subject: Taxation and Revenue - Property; Veterans; Constitutional Amendments  
 Type: Original  
 Date: March 11, 2024

Bill Summary: This resolution exempts certain disabled veterans from property taxes.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2030)
General Revenue	\$0 or (More than \$8,000,000)*	\$0 or Unknown, could exceed \$646,411**	\$0 or Unknown, could exceed \$501,465**	\$0 or Unknown, could exceed \$501,465**
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (More than \$8,000,000)</b>	<b>\$0 or Unknown, could exceed \$646,411**</b>	<b>\$0 or Unknown, could exceed \$501,465**</b>	<b>\$0 or Unknown, could exceed \$501,465**</b>

\*The potential fiscal impact of “(More than \$8,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters. All other impacts to state funds would be realized only if the joint resolution is approved by voters.

\*\*Oversight notes the potential savings to the General Revenue Fund is from reduced Senior Property tax credits issued if qualifying veterans paying reduced/no longer paying property tax.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Fully Implemented (FY 2030)</b>
Blind Pension Fund (0621)	\$0	\$0 or (Unknown, could exceed \$270,086)	\$0 or (Unknown, could exceed \$270,086)	\$0 or (Unknown, could exceed \$292,446)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0 or (Unknown, could exceed \$270,086)</b>	<b>\$0 or (Unknown, could exceed \$270,086)</b>	<b>\$0 or (Unknown, could exceed \$292,446)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Fully Implemented (FY 2030)</b>
<b>Total Estimated Net Effect on All 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>				
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Fully Implemented (FY 2030)</b>
General Revenue	0 FTE	0 or Up to 6 FTE	0 or Up to 6 FTE	0 or Up to 6 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 FTE</b>	<b>0 or Up to 6 FTE</b>	<b>0 or Up to 6 FTE</b>	<b>0 or Up to 6 FTE</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>				
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>Fully Implemented (FY 2030)</b>
<b>Local Government**</b>	<b>\$0</b>	<b>\$0 or (Unknown, could exceed \$58,832,119)</b>	<b>\$0 or (Unknown, could exceed \$58,832,119)</b>	<b>\$0 or (Unknown, could exceed \$63,702,695)</b>

\*Potential costs and state reimbursements net to zero in FY 2025 if a special election is called.

\*\*Oversight notes this impact could be substantially reduced if taxing authorities are able to increase the levy to other taxpayers to make up for the loss of property tax revenue of disabled veterans resulting from this proposal.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal would go to public vote in November 2024. If voter approved, the tax exemption would begin January 1, 2025. B&P notes Section 6.1 would expend the current property tax exemption for POWs from only those with a total service-connected disability, to all POWs.

B&P notes Section 6.5 would grant qualifying veterans with a service-connected disability a property tax exemption on their primary home based on the level of their service-connected disability. The implementation of the property tax exemption is staggered depending on the level of disability. B&P notes that property taxes are due by December 31st of a tax year. Therefore, this proposal would begin impacting state and local revenues in FY26.

B&P notes that the property tax exemption granted under this proposal depends on a qualifying veteran’s service-connected disability rating. Table 1 shows the property tax exemption by rating.

Table 1: Exemption Percentage

<b>Disability Rating</b>	<b>Property Tax Exemption</b>	<b>Exemption Start</b>
30% - 49%	\$2,500	Tax Year 2029 (FY30)
50% - 69%	\$5,000	Tax Year 2027 (FY 28)
70% - 100%	100% of tax liability	Tax Year 2025 (FY 26)

Based on data published by the U.S. Census Bureau, there were 57,893 veterans residing in Missouri with a disability rating of 30% or more. Using 2022 PTC data, B&P notes that of those claiming the PTC as a disabled veteran, 58.3% owned their home. Table 2 shows the total number of veterans and the estimated number that may own homes based on PTC data.

Disability Rating	# Veterans	Est. Owners
30% - 49%	12,724	7,416
50% - 69%	11,364	6,623
70% - 100%	33,805	19,702
Total	57,893	33,741

However, B&P notes that the PTC has a low-income limit in order to qualify. It is possible that the homeownership rate among the full population of veterans is higher. Therefore, B&P will estimate the impact from the proposal using a range of 58.3% - 100% veteran homeownership.

B&P notes that for veterans with a disability rating between 30% and 69%, this proposal provides an exemption off their assessed value. For veterans with a disability rating of 70% to 100%, this proposal would exempt all assessed value from taxation.

Based on additional data published by the U.S. Census Bureau, the median home value in 2022 was \$199,400 and the median real estate taxes paid was \$1,812. B&P notes that residential real property is assessed at 19% of the market value. Therefore, B&P estimates that the median assessed value for residential property in Missouri was \$37,886 ( $\$199,400 \times 19\%$ ) during 2022.

Under this proposal, the median assessed value for a veteran with a service-connected disability of 30%-49% would now be \$35,386 ( $\$37,886 - \$2,500$ ). For veterans with a service-connected disability between 50%-69%, the assessed value would now be \$32,886 ( $\$37,886 - \$5,000$ ). The median value for a veteran with a service-connected disability of 70%-100% would be \$0 ( $\$37,886 \times 100\%$ ). Table 3 shows the estimated median property tax reduction per veteran.

Table 3: Estimated Property Tax Reduction per Veteran

Disability Rating	Exemption	Est. Tax Reduction
30% - 49%	\$2,500	(\$120)
50% - 69%	\$5,000	(\$239)
70% - 100%	100% of tax liability	(\$1,812)

Using the above estimates and the number of qualifying veterans, B&P estimates that this could reduce state and local property tax revenues by \$38,170,513 to \$65,493,542 annually once fully implemented. Table 4 shows the estimated total state and local impact.

Table 4: Estimated Property Tax Loss

Disability Rating	Low Ownership	High Ownership
30% - 49%	(\$886,731)	(\$1,521,409)
60% - 69%	(\$1,583,758)	(\$2,717,473)
70% - 100%	(\$35,700,024)	(\$61,254,660)
Total	(\$38,170,513)	(\$65,493,542)

B&P notes that the Blind Pension Trust Fund levies a statewide property tax rate of \$0.03 per \$100 valuation. B&P estimates that of the \$1,812 median property tax paid, \$11.37 goes to the Blind Pension Trust Fund and \$1,800.63 goes to local funds. Using the number of qualifying veterans above, B&P estimates that this proposal could reduce Blind Pension revenues by \$239,367 to \$410,709 annually once fully implemented. This proposal could also reduce local property tax revenues by \$37,931,147 to \$65,082,833 annually once fully implemented.

In addition, during tax year 2022 there were 1,295 veterans that claimed the PTC as a disabled veteran and property owner, for total PTC claims of \$972,247. Under this proposal some, or all, of their property would now be exempt from property tax. Therefore, B&P estimates that this provision could increase GR by up to \$972,247 annually beginning in FY26.

Therefore, B&P estimates that this proposal could increase TSR by less than \$588,026 to \$748,318 in FY26 and FY27. Once fully implemented (FY30), this proposal could annually increase TSR by less than \$561,538 to \$732,880.

This proposal could decrease local revenues by (\$35,476,095 to \$60,870,439) in FY26 and FY27. Once fully implemented (FY30), this proposal could annually reduce local revenues by (\$37,931,147 to \$65,082,833).

Table 5: Estimated State and Local Property Tax Loss						
	FY 2026		FY 2027		FY 2028	
	Low	High	Low	High	Low	High
State						
General Revenue	\$972,247	\$972,247	\$972,247	\$972,247	\$972,247	\$972,247
Blind Pension Trust Fund	(\$223,929)	(\$384,221)	(\$223,929)	(\$384,221)	(\$233,836)	(\$401,219)
Total State Impact	\$748,318	\$588,026	\$748,318	\$588,026	\$738,411	\$571,028
Local						
Median Loss	(\$35,476,095)	(\$60,870,439)	(\$35,476,095)	(\$60,870,439)	(\$37,049,946)	(\$63,570,914)
Table 5: Estimated State and Local Property Tax Loss						
	FY 2029		FY 2030		FY 2031	
	Low	High	Low	High	Low	High
State						
General Revenue	\$972,247	\$972,247	\$972,247	\$972,247	\$972,247	\$972,247
Blind Pension Trust Fund	(\$233,836)	(\$401,219)	(\$239,367)	(\$410,709)	(\$239,367)	(\$410,709)
Total State Impact	\$738,411	\$571,028	\$732,880	\$561,538	\$732,880	\$561,538
Local						

Median Loss	(\$37,049,946)	(\$63,570,914)	(\$37,931,147)	(\$65,082,833)	(\$37,931,147)	(\$65,082,833)
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Officials from the **Department of Revenue (DOR)** note if approved by voters at the November 2024, general election or at a special election called for this purpose, this proposal would allow for an exemption of real property tax for military disabled veterans. If this is not adopted by the voters, there will be no fiscal impact. If adopted, it is assumed that based on the certification date of this proposal, it would become effective January 1, 2025. Since property tax is paid in December of the year, it would impact the state and local funds beginning FY 2026.

This proposal will allow certain disabled veterans with a disability rating of at least 50% to qualify for an exemption from their property tax. The exemption is on the assessed property valuation. This proposal is set up to be phased in over a period of time starting only with those having a rating of 70% or higher.

Disability Rating	Exemption Amount	Exemption Start Date
30 to 40%	\$2,500 exemption of assessed property valuation	TY 2029 (FY 30)
50 to 60%	\$5,000 exemption of assessed property valuation	TY 2027 (FY 28)
70% and higher	100% exemption of assessed property valuation	TY 2025 (FY 26)

This proposal defines the eligible disabled veteran as a person with a certain assigned disability rating, as established by the United States Department of Veterans Affairs. Per the U.S. Census Bureau's 2022 ACS 5-year report there are 33,805 disabled veterans in Missouri with a rating of 70% or higher.

#### Census Bureau Number of Veterans

Disability Rating	Total Number of Veterans
30 to 40%	12,724
50 to 60%	11,364
70% or higher	33,805

The Department reached out to the Missouri Veterans Commission who was not able to provide more recent information on disabled veterans than 2019. The Senior Property Tax Credit program allows certain qualified disabled veterans to apply for the credit. Per DOR's record the

department notes that 2,222 disable veterans apply for the credit. Since DOR can not find more current numbers, DOR will use the numbers provided by the U.S. Census Bureau.

The Department is unable to determine the actual number of veterans that would own their own property. For fiscal notes purposes, DOR will assume all of these veterans own their own dwelling. According to the U.S. Census Bureau the average amount of property tax paid in Missouri for 2022 was \$1,812. The Department notes that some veterans may have a property tax amount that is lower than this amount.

Residential property tax is assessed at 19% of its value. Therefore, with a house of \$199,400 at 19% rate would mean the assessed value of the property is \$37,886. This proposal would eliminate the assessed value for those over 70% and therefore exempt from real property tax \$61,254,660 ( $\$1,812 * 33,805$  veterans) in the first two years.

For those with a disability rating of 50% to 69% their assessed value would become \$32,886 which would result in an exemption of \$2,717,473 ( $\$239.13$  tax \* 11,364 veterans). Their reduction will not impact until FY 2028. The last group to qualify would reduce their tax \$1,521,409 ( $\$119.57 * 12,724$  veterans).

Given this will phase in, DOR expects to see the following impact to local property tax.

Fiscal Year	Loss to Locals
2026	(\$61,254,660)
2027	(\$61,254,660)
2028	(\$63,972,133)
2029	(\$63,972,133)
2030	(\$65,493,542)



The Missouri Blind Pension fund receives \$.03 for each \$100 valuation of taxable property in the state of Missouri. The Department estimates that the Missouri Blind Pension Fund could decrease by a minimum to substantial amount. DOR defers to the Department of Social Services for fiscal impact.

Additionally, DOR notes that if a military disabled veteran is exempt from paying real property tax, they would no longer be eligible to claim the Senior Property Tax Credit. Currently a person can claim the Senior Property Tax Credit if:

- A. They are 65 years or older
- B. 100% Disabled Veteran as a result of military service
- C. 100% Disabled or
- D. 60 years of age or older and receiving surviving spouse benefits

In TY 2021 – 2,342 taxpayers checked the disabled veteran box on the PTC form. They claimed \$1,635,371 in property tax credits.

In TY 2022 – 2,222 taxpayers checked the disabled veteran box on the PTC form. The claimed \$1,538,919.

Two-year average claimed by disabled veterans is \$1,587,145.

DOR notes that if a disabled veteran is also over the age of 65 years of age, they may have just checked the 65+ box instead of the Veterans box so the amount that could be exempt could be higher.

DOR assumes this would result in a savings to General Revenue that Could Exceed \$1,587,145 annually from military veterans no longer owing real property tax and being ineligible for the property tax credit.

Given the election for this proposal is November 2024 (FY 2024) and the bill starts with property taxes on January 1, 2025; this proposal will have an impact starting in FY 2026 due to the filing deadline for the taxes being 12/31/2025 (FY 2026).

FY 2025        \$0

FY 2026        \$1,587,145 savings to GR and an Unknown loss to Blind Pension fund

FY 2026        \$1,587,145 savings to GR and an Unknown loss to Blind Pension fund

This proposal will not have an administrative fiscal impact on the Department.

Officials from the **State Tax Commission** have reviewed this proposal and determined an unknown fiscal impact. The U.S. Census Survey (2018) states the number of veterans in Missouri is 479,828 of which over 80,000 have service related disabilities. The Agency does not possess the specific data to determine the number of qualifying, eligible individuals or the real property held by said individuals under the proposed criteria which states: “all real property used as a homestead as defined by law of any citizen of this state who is a military veteran and who has a [total] one hundred percent disability.”

Officials from the **City of Kansas City** assume the proposed legislation has a negative fiscal impact of an indeterminate amount.

Officials from the **Lincoln County Assessor** assume with the exemptions in place - lost tax revenues will occur and then the tax burden will shift on those that don't receive the exemption to make up for lost revenues.

Officials from the **Paris R-I School District** note because the fiscal impact of the bill is difficult to determine, the district has decided to provide Oversight with a range of possible harm.

- If HJR 78 results in a 10% reduction in real property tax revenue for the school district, it would mean that the district would lose \$65,387. This loss would potentially require the district to cut 1 teacher and 1 paraprofessional.
- If HJR 78 results in a 20% reduction in real property tax revenue for the school district, it would mean that the district would lose \$130,775. This loss would potentially require the district to cut 3 teachers.
- If HJR 78 results in a 30% reduction in real property tax revenue for the school district, it would mean that the district would lose \$196,162. This loss would potentially require the district to cut 4 teachers and 1 paraprofessional.

Officials from the **County Employees' Retirement Fund (CERF)** have reviewed SJR 84. SJR 84 may result in an unknown fiscal impact to the County Employees' Retirement Fund.

Officials from **Office of the Secretary of State (SOS)** 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 \$8 million based on the cost of the 2022 primary and general election reimbursements.

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.

For the FY25 petitions cycle, the SOS estimates publication costs at \$60,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

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, the SOS reserves the right to request funding to meet the cost of the 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 2025. 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 general election is in November 2024 (FY 2025). It is assumed the subject within this proposal could be on this ballot; 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 2025.

In response to a similar-themed proposal this year (HB 1419), officials from the **Department of Public Safety - Missouri Veteran's Commission (MVC)** assumed the department would be required to hire additional VSOs to meet demand related to filing for Service Connected Disabilities (SCD), and filing SCD increases due to the added incentives in this bill and the increased publicity should the bill pass.

**Oversight** does not have any information to the contrary. Oversight will reflect the FTE cost as \$0 (no increase in SCD filings) Up To 6 FTE to the Missouri Veteran's Commission.

**Oversight** notes the first tax year in which taxpayers would qualify for the new/expanded exemption(s) is Tax Year 2025. Oversight notes this proposal will have an impact starting in FY 2026 due to the filing deadline for property taxes being 12/31/2025 (FY 2026).

Therefore, Oversight will report the MVC’s administrative cost(s) beginning in Fiscal Year 2026 assuming MVC can hire and train such FTE(s) within the first six (6) months of Fiscal Year 2026.

**Oversight** notes, per information on the State Tax Commission’s [website](#), an applicant must meet the following requirements to qualify for the property tax exemption as it exists in current law:

- be a former prisoner of war; and
- a veteran of any branch of the armed forces of the United States or this state who became one hundred percent disabled as a result of his or her military service; and
- must own and occupy the homestead as a primary residence.

**Oversight** notes the phrase “total service connected disability” exists in current law and for purposes of this fiscal note assumes it has the same meaning as noted above by the State Tax Commission.

Based on information from the US Census Bureau, **Oversight** notes the following veterans by disability rating for Missouri in the table below.

U.S. Census Bureau. Service-Connected Disability-Rating Status and Ratings for Civilian Veterans 18 Years and Over - 2022

Total	No rating	Has a service-connected disability rating	0%	10 - 20 %	30 - 40%	50 - 60%	70% - 99%
341,834	245,286	96,548	3,153	24,778	12,663	12,755	37,919

[Census Bureau Data](#)

Based on estimates from the [Housing Assistance Council](#), **Oversight** notes the homeownership rate for veterans is 78.1% with a median house value of \$160,000. Assuming a similar homeownership rate for veterans with a service-connected disability, Oversight assumes the number of veterans who may qualify for the property tax exemption by disability rating in the table below.

Disability Rating	Disabled Veterans	Estimated Disabled Veteran Homeowners
30-40%	12,663	9,890
50-60%	12,755	9,962
70-100%	37,919	29,615

**Oversight** notes property tax levies differ based on the location of the property and the varying taxing entities. Based on information from the State Tax Commissions website, Oversight estimated the effective local residential property tax rate at 6.53% (using the total residential assessed value, \$81,710,151,058, divided by the total residential property revenue, \$5,339,603,541).

**Oversight** estimates the amount of assessed value this proposal may exempt from taxation in the table below.

Disability Rating	Exemption	Assessed Value Exempt from Tax
30-40%	\$2,500 from Assessed Value (Beginning FY 30)	\$24,724,508 ( $\$2500 * 9,890$ veterans)
50-60%	\$5,000 from Assessed Value (Beginning FY 28)	\$49,808,275 ( $\$5,000 * 9,962$ veterans)
70-100%	100% of Assessed Value (Beginning FY 26)	\$900,288,066 ( $\$30,400$ estimated assessed value per veteran * 29,615 veterans)

Assuming an estimated local residential property tax rate at 6.53%, **Oversight** estimates the loss to local political subdivisions in the table below.

Disability Rating	Local Loss of Revenue
30-40%	(\$1,615,700)
50-60%	(\$3,254,876)
70-100%	(\$58,832,119)
<b>Total</b>	<b>(\$63,702,695)</b>

**Oversight** assumes the loss to local political subdivisions could exceed (\$63,702,695) once fully implemented.

**Oversight** notes property tax revenues are designed to be 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. 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.

**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 ( $((\text{Total Assessed Value}/100)*.03)$ ). Because this proposal reduces (or limits growth) 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** notes the Blind Pension Fund (0621) is calculated as an annual tax of three cents on each one hundred dollars valuation of taxable property ( $((\text{Total Assessed Value}/100)*.03)$ ).

Oversight estimates a reduction in residential real property tax revenue to the Blind Pension Fund in the table below.

Disability Rating	Assessed Value Exempt from Tax	Blind Pension Fund Loss of Revenue
30-40%	\$24,724,508	\$7,417 (\$24,724,508 / 100 * .03)
50-60%	\$49,808,275	\$14,942 (\$49,808,275 / 100 * .03)
70-100%	\$900,288,066	\$270,086 (\$900,288,066 / 100 * .03)
<b>Total</b>		<b>\$292,446</b>

**Oversight** assumes that if adopted, it is assumed that based on the certification date of this proposal, it would become effective January 1, 2025.

**Oversight** notes this proposal is contingent on a voter approved amendment to the Constitution. Oversight will show the impact as either \$0 (Constitutional amendment is not approved by voters AND/OR the local political subdivisions may be able to increase the levy to all other taxpayers to replace the lost property tax revenues from disabled veterans) or could exceed the figures estimated above to the Blind Pension Fund and local political subdivisions beginning in FY 2026.

**Oversight** assumes this could reduce claims for the Property Tax Credit for individuals qualifying for the exemption. Oversight will show the savings to General Revenue provided by the Department of Revenue.

Officials from the **Department of Social Services, Newton County Health Department, Phelps County Sherrif, Kansas City Police Department, St Louis County Police Department, Office of the State Auditor, Callaway County SB 40 Board, Branson Police Dept,** and the **Rolling Hills Consolidated Library** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2030)
<b>GENERAL REVENUE</b>				
<u>Potential Revenue Gain – DOR – Veterans no longer claiming the Senior Property Tax Credit if approved by voters</u>	\$0	\$0 or Unknown, could exceed \$1,587,145	\$0 or Unknown, could exceed \$1,587,145	\$0 or Unknown, could exceed \$1,587,145

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2030)
<u>Transfer Out - SOS - reimbursement of local election authority election costs if a special election is called by the Governor</u>	\$0 or (More than \$8,000,000)	\$0	\$0	\$0
<u>Potential Costs - MVC p. (8)</u>		\$0 or Up to...	\$0 or Up to...	\$0 or Could exceed...
Personnel Service	\$0	(\$518,700)	(\$634,889)	(\$634,889)
Fringe Benefits	\$0	(\$351,238)	(\$426,311)	(\$426,311)
Expense & Equipment	\$0	(\$70,796)	(\$24,480)	(\$24,480)
<u>Total Costs -</u>	<u>\$0</u>	<u>(\$940,734)</u>	<u>(\$1,085,680)</u>	<u>(\$1,085,680)</u>
FTE Change	0 FTE	6 FTE	6 FTE	6 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or (More than \$8,000,000)</b>	<b>\$0 or Unknown, could exceed \$646,411</b>	<b>\$0 or Unknown, could exceed \$501,465</b>	<b>\$0 or Unknown, could exceed \$501,465</b>
Estimated Net FTE Change on General Revenue	0 FTE	0 or Up to 6 FTE	0 or Up to 6 FTE	0 or Up to 6 FTE
<b>BLIND PENSION FUND</b>				
<u>Potential Revenue Loss - no real property tax collected from veterans with a total service-connected disability if approved by voters</u>	\$0	\$0 or (Unknown, could exceed \$270,086)	\$0 or (Unknown, could exceed \$270,086)	\$0 or (Unknown, could exceed \$292,446)
<b>ESTIMATED NET EFFECT ON BLIND PENSION FUND</b>	<b>\$0</b>	<b>\$0 or (Unknown, could exceed \$270,086)</b>	<b>\$0 or (Unknown, could exceed \$270,086)</b>	<b>\$0 or (Unknown, could exceed \$292,446)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2030)
<b>LOCAL POLITICAL SUBDIVISIONS</b>				
<u>Costs</u> – to implement and monitor <b>if</b> approved by voters	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Potential Revenue Loss</u> - reduced/no real property tax collected from veterans with a total service-connected disability* <b>if</b> approved by voters	\$0	\$0 or (Unknown, could exceed \$58,832,119)	\$0 or (Unknown, could exceed \$58,832,119)	\$0 or (Unknown, could exceed \$63,702,695)
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than \$8,000,000	\$0	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election <b>if</b> called for by the Governor	\$0 or (More than \$8,000,000)	\$0	\$0	\$0
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS*</b>	<b>\$0</b>	<b>\$0 or (Unknown, could exceed \$58,832,119)</b>	<b>\$0 or (Unknown, could exceed \$58,832,119)</b>	<b>\$0 or (Unknown, could exceed \$63,702,695)</b>

\***Oversight** notes this impact could be substantially reduced if taxing authorities are able to increase the levy to other taxpayers to make up for the loss of property tax revenue of disabled veterans resulting from this proposal.

FISCAL IMPACT – Small Business

Oversight assumes taxing jurisdictions may be able to increase the levy to all other property owners to make up for the lost revenue from this property tax exemption.

FISCAL DESCRIPTION



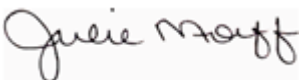
Current constitutional provisions exempt from property tax all real property used as a homestead by a former prisoner of war who has a total service-connected disability. This constitutional amendment, if approved by the voters, removes the requirement that the former prisoner of war have a total service-connected disability.

This amendment also authorizes a property tax exemption for real property used as a homestead by disabled veterans, as defined in the amendment. The amount of the exemption shall be equal to \$2,500 for veterans with a disability rating of 30-49%, \$5,000 for veterans with a disability rating of 50-69%, and a total exemption for veterans with a disability rating of 70-100%.

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  
State Tax Commission  
City of Kansas City  
Lincoln County Assessor  
Paris R-Ii School District  
Department of Social Services  
Newton County Health Department  
Phelps County Sherrif  
Kansas City Police Department  
St Louis County Police Department  
Office of the State Auditor  
Callaway County SB 40 Board  
Branson Police Dept  
Rolling Hills Consolidated Library  
County Employees Retirement Fund (CERF)  
Department of Public Safety - Missouri Veterans Commission  
Office of the Secretary of State



Julie Morff  
Director  
March 11, 2024



Ross Strobe  
Assistant Director  
March 11, 2024