

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0257S.01I
 Bill No.: SB 33
 Subject: Fire Protection; Cities, Towns, and Villages; Saint Louis County; Taxation and Revenue - Sales and Use; Taxation and Revenue - Property
 Type: Original
 Date: January 26, 2025

Bill Summary: This proposal creates provisions relating to taxes for emergency services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 potential unknown amount of revenue (Department of Revenue’s 1% collection fee on sales tax – if collected by DOR) from this proposal will not reach the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§321.905 – Taxes on Emergency Services in St. Louis County, St. Charles County, Clay County, Platte County and Greene County

Officials from the **Department of Revenue (DOR)** assume this proposal would allow the following political subdivisions to adopt a property tax and a sales tax for fire and ambulance services. The counties of St. Louis, St. Charles, Clay, Platte, Greene are identified in this proposal. Additionally, all cities within St. Louis County could potentially enact this including:

Affton	Concord	Grantwood	Normandy	Sycamore Hills Town and Country
Allenton	Cool Valley Country Club Hills	Green Park	Northwoods	Twin Oaks
Ballwin	Country Life Acres	Greendale	Norwood Court	University City
Bella Villa Bellevue Neighbors City of Bellerive Acres	Crestwood	Grover	Oakland	Uplands Park
Bel-Nor	Creve Coeur Crystal Lake Park	Hanley Hills	Oakville	Valley Park
Bel-Ridge	Dellwood	Hillsdale	Old Jamestown	Velda City Velda Village Hills
Berkeley	Des Peres	Huntleigh	Olivette	Vinita Park
Beverly Hills	Edmundson	Jennings	Overland	Vinita Terrace
Black Jack	Ellisville	Kinloch	Pagedale	Warson Woods
Breckenridge Hills	Eureka	Kirkwood	Pasadena Hills	Webster Groves
Brentwood	Fenton	Ladue	Pasadena Park	
Bridgeton	Ferguson	Lakeshire	Pine Lawn	Wellston
Calverton Park	Flordell Hills	Lemay	Richmond Heights	Westwood
Castle Point	Florissant	Mackenzie	Riverview	Wilbur Park
Champ	Frontenac	Manchester	Rock Hill	Wildwood
Charlack	Glasgow Village	Maplewood	Sappington	Winchester Woodson Terrace
Chesterfield	Glen Echo Park	Marlborough Maryland Heights	Shrewsbury	
Clarkson Valley	Glencoe	Mehlville	Spanish Lake	St. Ann
Clayton	Glendale	Moline Acres	St. John	Sunset Hills

This proposal allows a political subdivision to create a tax on all real property and then a sales tax in order to fund fire protection services. In order to enact the property tax, the citizens of the district must adopt the tax at an election. They are allowed to collect up to \$0.25 cents per \$100 assessed valuation.

If the city adopts the property tax, they can then go back to their voters to implement a sales tax to be used to fund their fire or ambulance services. This sales tax can be up to one percent on all sales subject to taxation under Chapter 144 for fire protection services or up to half of one percent for ambulance services. This sales tax must also be adopted by the voters at another election.

This proposal states the sales tax is to be used to reduce the property tax collected. The fire protection district is to calculate the amount of sales tax and property tax collected and their expenses. Using the sales tax collected, they are to lower the property tax rate by the amount generated under the sales tax.

This proposal does not require that DOR collect the sales tax on behalf of the political subdivision, fire protection district or ambulance district. If DOR would be required to collect the sales tax, DOR would retain 1% of the amount of sales tax collected for reimbursement of DOR services. DOR does not collect property tax. It appears the political subdivisions would be responsible for the collection and estimating the impact.

DOR is unable to determine which if any of the designated political subdivisions would want to adopt these 2 taxes.

Oversight notes subsection 6 of the proposal does not clarify if DOR will be responsible for collecting the sales tax on behalf of the political subdivision, fire protection district and/or ambulance district should the proposal be voted on and approved by the voters. If DOR is responsible, then a 1% collection fee based off of the sales tax would be collected. Therefore, Oversight will reflect a \$0 (no ballot issue/approval) or unknown amount of revenue to General Revenue as a direct fiscal impact for this proposal.

Oversight also assumes this proposal is permissive in nature and would have no local fiscal impact without the action by the governing body of municipalities within St. Louis County, St. Charles County, Clay County, Platte County and Greene County and the approval by the majority of voters within those local political subdivisions to levy and collect taxes on real property and/or sales tax to provide funding for emergency services. Therefore, Oversight will reflect a \$0 (no ballot issue/approval) or unknown amount of revenue to the local political subdivisions as a direct fiscal impact for this proposal.

Officials from the **Office of Administration - Budget and Planning (BAP)** defer to the municipalities within the charter county for the potential fiscal impact of this proposal. BAP assumes no impact on total state revenues or the 18(e) calculation.

Officials from the **Office of the Secretary of State**, the **State Tax Commission**, the **Platte County Board of Elections** and the **St. Louis County Board of Elections** 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 received from state agencies and political subdivisions; however, other cities, counties, county assessors, county collectors and fire protection districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Revenue – DOR – 1% collection fee on sales tax revenue §321.905</u>	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue – potential increase in taxes collected on property and sales upon voter approval §321.905</u>	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

If the voters approve the levy and collection of taxes on real property and/or sales tax, small businesses could be impacted from this proposal.

FISCAL DESCRIPTION

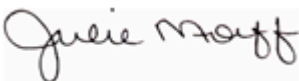
This act authorizes municipalities located within St. Louis County, as well as the counties of St. Charles, Clay, Platte, and Greene, to impose a property tax to provide fire protection services, with such tax not to exceed \$0.25 per \$100 assessed valuation.

This act also authorizes ambulance districts, fire protection districts, and municipalities and counties to impose a sales tax of up to 1.0%, or up to 0.5% for ambulance districts, to provide ambulance and fire protection services. An ambulance district, fire protection district, or political subdivision imposing a sales tax authorized by this act shall reduce any property tax levy imposed by such district or political subdivision for the purposes of providing ambulance and fire protection services such that the revenue generated by such property tax levy is offset in an amount equal to fifty percent of the amount of revenue generated by the sales tax imposed pursuant to this act.

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 Secretary of State
State Tax Commission
Platte County Board of Elections
St. Louis County Board of Elections



Julie Morff
Director
January 26, 2025



Jessica Harris
Assistant Director
January 26, 2025