

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0605S.01I
 Bill No.: SB 20
 Subject: Counties; Taxation and Revenue - Sales and Use; Education, Elementary and Secondary
 Type: Original
 Date: January 22, 2025

Bill Summary: This proposal modifies provisions relating to sales taxes for early childhood education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 67.547 & 67.5420 - St. Louis County Early Childhood Education Fund

Officials from the **Department of Revenue (DOR)** note this proposal clarifies how revenue collected from a county sales tax for childhood education should be deposited and spent. This will not fiscally impact DOR.

Oversight notes that the above-mentioned agency has 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.

Oversight notes officials from St. Louis County did not respond to Oversight’s request for fiscal impact for this proposal.

Oversight notes St. Louis County already has the authority for the local sales tax. Oversight assumes this proposal clarifies where the funds shall be distributed. Therefore, Oversight assumes no fiscal impact from the proposal.

Officials from the **City of Kansas City** and the **Office of the Secretary of State** 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 local political subdivisions 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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act provides that current law relating to the distribution of sales tax proceeds in St. Louis County shall not apply to a tax for the purpose of funding early childhood educational services and requires that such proceeds shall be deposited in the county's Early Childhood Education Fund, which is created by the act. (Section 67.547)

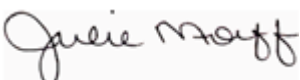
This act also allows the proceeds of any tax imposed for the purposes of improving the quality, affordability, and access to early childhood development programs for children aged five years and younger to be deposited into the county or city Early Childhood Education Fund. The administrative control and management of such funds shall be by the board of directors responsible for the administration of a city or county Community Children's Services Fund.

The board of directors shall use or disburse the funds in the Early Childhood Education Fund to provide and administer programs subsidizing the cost of providing early childhood education, prioritizing children in financial need. Financial assistance may be used for early education and care provided by public, private, not-for-profit, and for-profit entities licensed, license-exempt, or registered by the Missouri Department of Elementary and Secondary Education, including preschools, childcare centers, nursery schools, local education agencies, Head Start and Early Head Start programs, informal childcare providers and independent and system-affiliated family child care homes, as described in the act. (Section 67.5420)

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 the Secretary of State
City of Kansas City



Julie Morff
Director
January 22, 2025



Jessica Harris
Assistant Director
January 22, 2025