

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3204S.02I
Bill No.: SB 831
Subject: Elections; Motor Fuel; Motor Vehicles; Political Subdivisions; Taxation and Revenue - General; Taxation and Revenue - Sales and Use
Type: Original
Date: April 13, 2025

Bill Summary: This proposal provides that local taxes and fees on motor fuel shall expire five years after enactment unless reauthorized by a two-thirds vote of the political subdivision.

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

FISCAL ANALYSIS

ASSUMPTION

§142.1050 – Local Tax on Motor Fuel

Officials from the **Department of Revenue (DOR)** state this proposal would require any local political subdivision's motor fuel tax to expire five years after enactment unless reauthorized by a two-thirds majority vote. DOR does not collect or distribute these taxes and therefore would not be impacted by this proposal.

Officials from the **Office of Administration - Budget and Planning** defer to political subdivisions with taxes, excise, license or fees on fuel for the fiscal impact of this legislation which sets a five-year expiration date for the fuel revenue.

Officials from the **Missouri Department of Transportation, Office of the Secretary of State and Joint Committee on Administrative Rules** 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.

Officials from the **City of Kansas City** assume the proposed legislation has a negative fiscal to the City of at least \$20 million.

Oversight does not have information to the contrary and therefore, Oversight will reflect a \$0 to "Unknown" loss to local political subdivisions for the potential loss of local fuel taxes if not reauthorized.

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
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – potential loss of revenue from not reauthorizing a motor fuel tax</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT – Small Business

Small businesses that purchase motor fuel could be impacted a result of this proposal.

FISCAL DESCRIPTION

This act provides that any tax, excise, license or fee upon, measured by or with respect to the importation, receipt, manufacture, storage, transportation, sale or use of fuel used for propelling motor vehicles authorized by a political subdivision shall expire five years after enactment unless reauthorized by a two-thirds majority vote of the people of the political subdivision.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 3204S.02I

Bill No. SB 831

Page 5 of 5

April 13, 2025

SOURCES OF INFORMATION

Department of Revenue

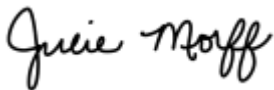
Office of Administration - Budget and Planning

Missouri Department of Transportation

Office of the Secretary of State

Joint Committee on Administrative Rules

City of Kansas City



Julie Morff

Director

April 13, 2025



Jessica Harris

Assistant Director

April 13, 2025