

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4601S.01I  
Bill No.: SB 987  
Subject: County Government; State Tax Commission; Taxation and Revenue - Property  
Type: Original  
Date: January 13, 2026

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Bill Summary: This proposal modifies provisions relating to erroneous property classifications.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on All Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §138.430 – Erroneous Property Classifications

Officials from the **Office of the State Courts Administrator** did not respond to **Oversight's** request for fiscal impact for this proposal.

Officials from the **State Tax Commission (STC)** assume the proposal will have no fiscal impact on their respective organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Officials from the **St. Louis City Assessor's Office** assume 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 for these agencies.

**Oversight** assumes this language codifies in statute procedures for taxpayers who are a party to an erroneous property classification by county assessors on how they may recover any costs and fees associated with such classification. Oversight used information from STC's website regarding open appeals as of 01/09/2026 to create the following chart.

<u>County</u>	<u>Number of Open Appeals</u>	<u>BOE Value</u>	<u>Proposed Value</u>
Camden	1	\$11,296,280	\$5,000,000
Crawford	1	\$117,300	\$117,300
Greene	2	\$8,950,500	\$3,624,430
Jackson	6	\$0	\$4,137,660
St. Charles	2	\$0	\$274,336
St. Louis	27	\$17,647,200	\$8,020,157
St. Louis City	13	\$1,559,470	\$1,777,227
Ste. Genevieve	1	\$82,808,060	\$62,914,288
Taney	51	\$7,417,067	\$7,241,432
<b>TOTALS</b>	<b>104</b>	<b>\$129,795,877</b>	<b>\$93,106,830</b>

**Oversight** notes this chart lists the open appeals as of 01/09/2026 by county that are listed as a misclassification on the grounds for appeal. Oversight only used appeals from January 2024 and forward. Oversight inquired STC to determine the number to use in Oversight's example. Using the proposed values above, if 1% of the open appeals cases are considered erroneous (1 case at a proposed value of \$931,068) and that case could potentially have a civil case filed where damages would be awarded at 10% of the original assessed value (1 case at 10% of the proposed value or \$93,107) it would be possible for the damages to have an impact on county funds.

**Oversight** is unable to determine how many of the open cases have the potential to be erroneous where a taxpayer would file a civil lawsuit to recover damages as outlined in this proposal. Oversight assumes any potential awards from a civil lawsuit would be awarded to the taxpayer and potentially impact local political subdivisions. Therefore, Oversight will reflect a \$0 or unknown cost to local political subdivisions to account for any potential recovery of damages sought by the taxpayer from this proposal.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other counties and assessors 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
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost</u> – Counties (§138.430) Potential recovery of damages from an erroneous property classification p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<u><b>\$0 or (Unknown)</b></u>	<u><b>\$0 or (Unknown)</b></u>	<u><b>\$0 or (Unknown)</b></u>

#### FISCAL IMPACT – Small Business

Small businesses could be impacted by this proposal if they have a civil case involving an erroneous property classification of real property.

#### FISCAL DESCRIPTION

Current law provides that a taxpayer shall be awarded costs and reasonable attorney's fees for any appeal of an assessor's classification of real property that is found by the State Tax

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Commission or a court of competent jurisdiction to be an erroneous classification. This act provides that any such decision shall include the recovery of such costs.

The act provides that any taxpayer not receiving such costs and fees derived from any decision made on or after January 1, 2024, shall have a cause of action against the assessor to recover such costs and fees, as well as the costs and fees associated with initiating such cause of action. Such taxpayer shall also be entitled to recover damages in an amount equal to ten percent of the original assessed value of the property that was erroneously classified.

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

State Tax Commission  
St. Louis City Assessor's Office



Julie Morff  
Director  
January 13, 2026



Jessica Harris  
Assistant Director  
January 13, 2026