

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4668S.01I
 Bill No.: SB 1189
 Subject: Children and Minors; Counties; County Government; Courts; Courts, Juvenile;
 Crimes and Punishment; Criminal Procedure; Prisons and Jails; Taxation and
 Revenue - Sales and Use
 Type: Original
 Date: March 3, 2026

Bill Summary: This proposal modifies provisions relating to juvenile detention centers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 DOR's administration fee on sales tax will not meet the \$250,000 threshold. The unknown cost for OSCA is not expected to meet the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§§211.331, 211.341 & 211.342 – Juvenile Detention Centers

Officials from the **Office of Administration - Budget and Planning (B&P)** state §211.342 of the proposal allows counties to establish a 1% sales tax for the purpose of establishing juvenile detention centers. B&P defers to the specific county for the fiscal impact. DOR's retained collection fee will increase TSR because DOR will be able to collect its 1% administration fee for handling the collection and to DOR for more specific estimates of actual collection costs.

Officials from the **Department of Revenue (DOR)** state §211.342 of this proposal would grant counties the ability to create a juvenile detention center. It would also allow counties within the same circuit to establish one juvenile detention center to share. This proposal also grants the counties the ability to adopt by a vote of the citizens of a county a sales tax to fund their portion of the juvenile detention center. The sales tax can be up to 1% on all retail sales in the county. The tax is to be collected by DOR who is allowed to retain 1% of the amount collected to reimburse the expense of collection.

The language of this proposal would become effective August 28, 2026, and it appears the first election in which the sales tax could be voted on would be the April 2027 municipal election. This proposal adds language stating that the sales tax would become effective the first day of the second quarter following the election. DOR notes that upon receipt of the election, DOR would notify the vendors in the area of the new sales tax, and it would become effective October 1, 2027.

DOR is unable to predict which counties may choose to adopt this sales tax. DOR notes that once a new county passes the sales tax and notifies DOR, DOR would get the new county set up. It will require DOR to make changes to Revenue Premier, Rate Manager, MyTax portal, Avalara Sales and use tax rate map, and website changes. These changes are estimated at \$1,887 per system change (\$7,548) for each county that passes it.

None of the other sections of the bill impact DOR.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to administrative and computer updates that could occur from the impact of a new county sales tax from the provisions of this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight notes the first election in which the sales tax could be voted on would be in the April 2027 municipal election. If the sales tax is approved by the voters, then the first day the sales tax could take effect would begin October 1, 2027 (FY28). DOR's administrative collection of the

sales tax from the counties would be in November of 2027. Oversight is also not aware of how many counties would choose to adopt this sales tax. Therefore, Oversight will assume the unknown revenue collection from DOR's 1% fee will not meet the \$250,000 threshold.

Oversight does not have information to the contrary and therefore, Oversight will reflect a \$0 (no voter approval) or unknown revenue impact to general revenue for DOR's administrative collection of sales tax for the counties who vote in a sales tax to fund a Juvenile Detention Center within their judicial circuit beginning in FY28. Oversight will also reflect a \$0 (no voter approval) or unknown revenue to the County Juvenile Detention Center Sales Tax Trust Fund beginning in FY28.

Officials from the **Office of the State Courts Administrator (OSCA)** state this proposal may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund beginning in FY28 (after municipal elections). For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Department of Social Services, Office of the Secretary of State, Platte County Election Board, St. Louis City Election Board, Kansas City Election Board, and St. Louis County Election Board** 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 that we have received from state agencies and political subdivisions; however, other election authorities, cities and various county officials 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	FY 2028 (8 Mo.)	FY 2029
GENERAL REVENUE			
<u>Revenue Gain</u> – DOR (§211.342) 1% administration fee on county sales tax to fund a new Juvenile Detention Center p. 3-4	\$0	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – OSCA (§211.342) Potential additional costs related to new Juvenile Detention Center established by county sales tax p. 4	\$0	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027	FY 2028 (9 Mo.)	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> - Counties (§211.342) Sales tax to fund a new Juvenile Detention Center for the county p. 4	\$0	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0	\$0 or Unknown	\$0 or Unknown

FISCAL IMPACT – Small Business

Small businesses could be impacted from this proposal if a new sales tax is voted in to fund a new Juvenile Detention Center.

FISCAL DESCRIPTION

Currently, circuit judges of a judicial circuit may establish a place of juvenile detention for the counties within the circuit court. This act provides that a county commission or governing body of a county may provide for juvenile detention in coordination with all other counties within the same circuit court or with all counties of the same circuit court and all counties of an adjoining circuit court. The county commission or governing body shall approve an ordinance, order, or

resolution authorizing a place of detention, shall approve an agreement as specified in this act between the counties, and shall notify the presiding circuit judge.

The operation and support of a juvenile detention facility authorized pursuant to this act shall be regulated in accordance with the rules and standards of the Supreme Court of Missouri under the governance of the circuit judge. If two or more counties of adjoining judicial circuits have authorized a place of detention, the circuit judges shall jointly govern the affairs of the place of detention. Furthermore, the counties authorizing a place of detention pursuant to this section may impose, by order, a sales tax up to one percent on all retail sales.

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

Office of Administration - Budget and Planning
Department of Revenue
Department of Social Services
Office of the State Courts Administrator
Office of the Secretary of State
Platte County Election Board
St. Louis City Election Board
Kansas City Election Board
St. Louis County Election Board



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March 3, 2026



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March 3, 2026