

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5365S.01I
 Bill No.: SB 1023
 Subject: Libraries and Archives; Taxation and Revenue - Sales and Use
 Type: Original
 Date: February 1, 2026

Bill Summary: This proposal adds certain counties to the list of counties authorized to impose a sales tax for public libraries.

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 the unknown impact would not 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

§182.802 – Public Libraries Sales Tax

Officials from the **Department of Revenue (DOR)** assume this proposal expands the number of counties in this state which may take to the vote of their citizens a sales tax to fund public library districts within their borders. The sales tax is limited to no more than one-half of one percent.

DOR notes this sales tax must be approved by the voters of the county before it can be implemented. DOR notes that this proposal would become effective on August 28, 2026, and the first election this issue could be presented to the voters would be the April 2027 general municipal election. This sales tax would become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of the sales tax, which is estimated to be October 1, 2027 (FY 2028) if adopted by the voters. Sales tax is remitted one month behind collection of tax, so DOR estimates an impact for FY 2028 of 8 months.

DOR notes that DOR gets to retain 1% of the amount collected as reimbursement of DOR's expenses. DOR is unable to determine how many of these counties will take the sales tax to the voters. DOR notes that if passed this will require the 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 \$7,547 per system change (\$30,188) per library district added.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimate as provided by the DOR. Oversight notes, if enacted, this proposal allows 44 counties (Adair, Audrain, Barry, Benton, Buchanan, Cape Girardeau, Cass, Christian, Cole, Cooper, Crawford, Dent, Franklin, Gasconade, Greene, Grundy, Howell, Iron, Jasper, Jefferson, Johnson, Lafayette, Lawrence, Livingston, Madison, Maries, Marion, Miller, Monroe, Morgan, Newton, Osage, Perry, Pettis, Phelps, Pulaski, Ralls, Randolph, St. Charles, Ste. Genevieve, Saline, Scott, Warren and Webster) to collect up to one-half of one cent sales and use tax to help fund the operation and maintenance of public libraries within the boundaries of such library districts.

Using information from DOR's 2024 Taxable Sales and Use Tax Report by County, if all of the proposed counties receive voter approval to impose this tax, this would generate roughly \$240 million in sales tax revenue and a DOR administrative fee of \$2.4 million. In order for this to reach the \$250,000 threshold, at least 21 of the 44 counties would need to get voter approval. Oversight does not have the information to determine how many counties would participate in this sales tax or when the counties would participate. Therefore, Oversight will show a \$0 (no voter approval) or unknown revenue gain to local political subdivisions starting in FY28 and thereafter. Oversight will also show DOR's administrative fee to General Revenue of \$0 (no voter approval) or unknown revenue gain starting in FY28.

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 website changes related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials from the **Office of Administration - Budget and Planning (B&P)** defers to the local public library districts for the fiscal impact of any vote by the library board to submit a sales tax of not more than one-half of one percent to the voters of the district. The county governing body must comply with the public vote directed by the library board of directors.

Officials from the **Springfield-Greene County Library District** state this proposal is tax neutral and will not have an impact on the library district.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties, county circuit clerks, county treasurers, county public administrators and public libraries 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
GENERAL REVENUE			
<u>Revenue Gain</u> – DOR (§182.802) 1% administrative fee p.3	\$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 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – Counties (§182.802) to help fund maintenance and operations for Public Libraries p.3	\$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 within these proposed counties could be impacted by this proposal.

FISCAL DESCRIPTION

Current law authorizes public library districts in certain counties to impose a sales tax of up to 0.5%. This act adds the following counties to such list of authorized counties: St. Charles, Franklin, Warren, Gasconade, Crawford, Buchanan, Iron, Madison, Maries, Miller, Christian, Greene, Jefferson, Jasper, Newton, Cass, Lafayette, Johnson, Webster, Howell, Pettis, Benton, Cooper, Randolph, Monroe, Audrain, Cape Girardeau, Barry, Lawrence, Grundy, Livingston, Saline, Pulaski, Osage, Cole, Phelps, Ste. Genevieve, Morgan, Perry, Scott, Ralls, Marion, Adair, Dent.

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
Springfield-Greene County Library District



Julie Morff
Director
February 1, 2026



Jessica Harris
Assistant Director
February 1, 2026