

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5365S.03C
Bill No.: SCS for SB 1023
Subject: Libraries and Archives; Taxation and Revenue - Sales and Use
Type: Original
Date: February 16, 2026

Bill Summary: This proposal modifies provisions relating to funding for certain 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	Up to \$130,200	Could exceed \$156,240	Could exceed \$156,240

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.

In response to a previous version, officials from the **Springfield-Greene County Library District** stated this proposal is tax neutral and will not have an impact on the library district.

§488.426 – St. Louis City Circuit Court Civil Case Filing Fee

Officials from the **Department of Revenue (DOR)** state this section removes expired language and will have no impact to DOR. This section also updates language regarding the courts. DOR defers to the Office of the State Courts Administrator for fiscal impact.

In response to similar legislation, SB 945 (2026), officials from the **Office of the State Courts Administrator (OSCA)** state the proposed legislation allows the circuit court in St. Louis City to collect a fee not to exceed twenty dollars, rather than fifteen, to go toward the law library.

During the past five years there was an average of 11,383 circuit civil case filings, 4,856 domestic relations civil case filings and 15,009 associate civil and small claims civil case filings for a total of 31,248 case filings.

Based upon the increase in the collection fee not to exceed \$20.00, rather than \$15.00, to go toward the library, OSCA estimates the increase to be \$0 to \$156,240 (\$5 x 31,248).

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to the City of St. Louis Circuit Court for the fiscal impact of any changes in court filing surcharges. The bill removes obsolete language in subsection 4 and adds the City of St. Louis Circuit Court as an exception allowing the court to raise its surcharge from \$15 to \$20.

Oversight assumes fees collected would go directly to the St. Louis City Circuit Court and will present a positive fiscal impact of \$0 to \$156,240 (\$5 x 31,248) annually. Oversight also assumes the provisions of this section will not create a material fiscal impact to local political subdivisions other than St. Louis City Circuit Court.

Oversight only reflects the responses received from state agencies and political subdivisions; however, various St. Louis City officials 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.

Responses regarding the proposed legislation as a whole

Officials from the **Rolling Hills Consolidated Library** 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 this agency.

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.3-4	\$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 (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.3-4	\$0	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> – St. Louis City Circuit (§488.426) Increase in fees for law library p.4	<u>Up to \$130,200</u>	<u>Up to \$156,240</u>	<u>Up to \$156,240</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Up to \$130,200</u>	<u>Could exceed than \$156,240</u>	<u>Could exceed than \$156,240</u>

FISCAL IMPACT – Small Business

Small businesses within these proposed counties could be impacted by this proposal.

FISCAL DESCRIPTION

This act modifies provisions relating to funding for certain libraries.

PUBLIC LIBRARY SALES TAX

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. (Section 182.802)

COURT SURCHARGE FOR LAW LIBRARIES

Currently, any circuit court may collect a civil case filing surcharge of an amount not to exceed \$15 for the maintenance of a law library, the county's or circuit's family services and justice fund, or courtroom renovation and technology enhancement. If the circuit court reimburses the state for salaries of family court commissioners or is the circuit court in Jackson County, the surcharge may be up to \$20. This act provides that the circuit court in the City of St. Louis may charge a filing surcharge up to \$20. (Section 488.426)

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
Office of the State Courts Administrator
Rolling Hills Consolidated Library
Springfield-Greene County Library District



Julie Morff
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February 16, 2026



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