

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5519S.01I
Bill No.: SB 1342
Subject: Counties; Cities, Towns, and Villages; Real and Personal Property; Political Subdivisions
Type: Original
Date: February 28, 2026

Bill Summary: This proposal modifies provisions relating to annexation by certain cities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

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

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

FISCAL ANALYSIS

ASSUMPTION

§§71.012 & 71.015 – Annexation by Certain Cities

In response to similar legislation, HB 631 (2025), officials from the **City of O’Fallon** assumed a cost of over \$100,000 each year.

Oversight has requested additional information from the City of O’Fallon regarding their potential cost of over \$100,000 annually. Upon the receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed.

In response to similar legislation, HB 631 (2025), officials from the **Little Blue Valley Sewer District (LBV)** assumed this proposal would require LBV to schedule additional meetings with committees. These committees approve the budget as submitted and recommend passage to the Board of Trustees. If LBV cannot get the meeting scheduled with the other committee members, this would cause a delay in getting the budget to the Board and passage in a timely manner.

In response to similar legislation, HB 631 (2025), **Oversight** notes the **St. Charles County PWS #2** responded to the proposal but did not submit a fiscal impact statement. Therefore, **Oversight** will reflect no fiscal impact for the **St. Charles County PWS #2** for fiscal note purposes.

Oversight assumes that if the municipality annexes an unincorporated area of the city, the municipality would provide for all municipal services to the annexed area (§71.012.6). Oversight assumes there could be increased cost to the municipality for this annexation. Oversight is unable to project a cost for this section of the proposal. Therefore, Oversight will show the impact to municipalities as a \$0 to unknown cost.

Officials from the **Department of Natural Resources, Missouri Department of Transportation, City of Kansas City, City of St. Louis Assessor’s Office, Branson Police Department, Kansas City Police Department, St. Louis County Police Department, Metropolitan St. Louis Sewer District, South River Drainage District** and the **Wayne County PWS #2** 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.

In response to similar legislation, HB 631 (2025), officials from the **Office of the State Courts Administrator, City of Osceola, Jackson County Election Board, Kansas City Election Board, Platte County Board of Elections, St. Louis City Board of Elections, St. Louis County Board of Elections** and the **Osceola Water/Wastewater District** each assumed 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.

In response to similar legislation, SB 922 (2024), officials from the **City of Springfield, City of Urich, Eureka Fire Protection District** and the **Urich Water/Wastewater** each assumed 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 received from state agencies and political subdivisions; however, other cities, counties, county assessors, county circuit clerks, police departments, fire protection districts and utility districts 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.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – Cities and Counties (§71.012.6)</u> Services provided to newly unincorporated areas that are annexed p.3	\$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

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act provides that the term contiguous and compact shall include when an unincorporated area proposed to be annexed is contiguous to the annexing city, town, or village by at least twenty-five percent of the length of the unincorporated area's perimeter. Additionally, no city, town, or village shall annex an unincorporated area contiguous to any unincorporated area annexed by the city, town, or village within the last twenty-four months. The act further provides that any area annexed shall be provided all municipal services by the annexing city. (Section 71.012)

Finally, this act repeals provisions relating to annexation procedures which apply to cities within St. Charles County. (Section 71.015)

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 Natural Resources
 Missouri Department of Transportation
 Office of the Secretary of State
 City of Kansas City
 City of O'Fallon
 Little Blue Valley Sewer District
 City of Springfield

City of Urich
City of St. Louis Assessor's Office
Branson Police Department
Kansas City Police Department
St. Louis County Police Department
Eureka Fire Protection District
Metropolitan St. Louis Sewer District
South River Drainage District
St. Charles County PWSD #2
Urich Water/Wastewater
Wayne County PWSD #2
Office of the State Courts Administrator
City of Osceola
Jackson County Election Board
Kansas City Election Board
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Osceola Water/Wastewater District



Julie Morff
Director
February 28, 2026



Jessica Harris
Assistant Director
February 28, 2026