

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5524S.01I
 Bill No.: SJR 102
 Subject: Constitutional Amendments; Counties; Taxation and Revenue - Property
 Type: Original
 Date: February 17, 2026

Bill Summary: This joint resolution modifies provisions relating to taxation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (More than \$9,000,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (More than \$9,000,000)	\$0	\$0

*The potential fiscal impact of “(More than \$9,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

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	\$0

*The potential fiscal impact to local election authorities (reimbursed by the state) would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

FISCAL ANALYSIS

ASSUMPTION

SJR – Punitive Action for Property Tax Assessments

Officials from the **Department of Mental Health (DMH)** assume this legislation proposes a constitutional amendment to Article X of the Missouri Constitution. If approved by voters, it prohibits state agencies from taking any punitive action for property tax assessments conducted by a county that fall below the upper range of acceptable assessment levels. This proposal could reduce personal property taxes if assessed values are limited. Any reduction to personal property tax revenues affects revenues deposited in the DMH Local Tax Matching Fund that are utilized for substance use treatment and Mental health community programs for adults and youth. Reduced revenue to counties also affects county SB 40 boards who are the primary payer of tax-supported services that are not Medicaid eligible.

In general, county boards use their personal property taxes to support a variety of services for people with developmental disabilities in their local communities. County boards are the primary payer of tax-supported services that are not Medicaid eligible. Additionally, some county boards also support state share of match for Medicaid services. FY26 projections show SB 40 boards paying in approximately \$1,217,767 in Medicaid match payments for targeted case management and Partnership for Hope waiver. Additionally, local match funding supports services in designated counties that could impact adult mental health and substance use disorder populations in the counties that have county tax match programs. Loss of county tax match funds is estimated to be \$1,883,900 annually.

Reductions to personal property taxes may reduce Medicaid services or limit a county board from keeping up with inflationary growth. If county SB 40 boards and mill tax boards can no longer support their Medicaid obligations, DMH will need additional funding to continue supporting individuals accessing services as these dollars will no longer be available for state match.

The Department of Mental Health estimates the fiscal impact to be approximately \$3,101,667 for FY27, FY28, and FY29 to cover Medicaid match payments which is based on FY26 projections. It is assumed this amount would increase due to inflationary growth; therefore, the fiscal impact may increase but is hard to determine at this time.

Oversight notes that the Department of Mental Health (DMH) assumes the proposal could reduce personal property tax revenues if counties choose to lower assessed valuations in the absence of state-level punitive actions. However, the proposal does not mandate any changes to assessment ratios, valuation practices, or local tax bases. Oversight assumes any reduction in assessed valuation would result from future decisions made by individual counties and therefore will show no impact on the fiscal note.

Officials from the **Office of the Secretary of the State (SOS)** assume, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, joint resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a joint resolution to a vote of the people, Section 115.063.2, RSMo., requires the state to pay the costs. The cost of a special election has been estimated to be \$9 million based on the cost of past primary and general election reimbursements.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY27 publication cycle, the SOS estimates publication costs at \$515,000 per ballot measure. This amount is an average and will be subject to change based on the number of petitions received, length of those petitions, and rates charged by newspaper publishers. In a year where many lengthy measures must be published, the Secretary of State's Office may need to budget up to \$10,000,000 to ensure sufficient funding is available to meet its constitutional obligations for the election cycle.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Oversight has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2027. This reflects the decision made by the Joint Committee on Legislative Research that the cost of the elections should be shown in the fiscal note. Per the SOS, the cost is estimated at \$9 million based on past costs as well as the anticipation of significant increases in future election-related expenses. The next scheduled statewide general election is in November 2026 (FY 2027). It is assumed the subject within this proposal could be on this ballot; however, it could also be on a special election called for by the Governor (a different date). Therefore,

Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2027.

Officials from the **Attorney General’s Office, Office of Administration - Administrative Hearing Commission, Office of Administration - Budget and Planning, Department of Commerce and Insurance, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Health and Senior Services, Department of Natural Resources, Department of Corrections, Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety - Alcohol and Tobacco Control, Capitol Police, Fire Safety, Director's Office, Gaming Commission, Highway Patrol, Veteran’s Commission, State Emergency Management Agency, Department of Social Services, Office of the Governor, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Department of Transportation, Missouri National Guard, MODOT & Patrol Employees’ Retirement System, Office of Administration, Office of the State Courts Administrator, Petroleum Storage Tank Insurance Fund, Office of the State Public Defender, Office of the State Treasurer, City of Kansas City, Jackson County Election, Platte County Board of Elections, St. Louis City Board of Elections, St. Louis County Board of Elections, Newton County Health Department, Kansas City Police Department, St. Louis County Police Department, County Employees Retirement Fund (CERF), Office of the Lieutenant Governor, Office of the State Auditor, Missouri House of Representatives, Joint Committee on Administrative Rules, Joint Committee on Public Employee Retirement, Legislative Research, Oversight Division, Missouri Senate, Missouri Lottery, Missouri Consolidated Health Care Plan, Missouri State Employee's Retirement System, and the State Tax Commission** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE FUND			
<u>Transfer Out - SOS</u> Reimbursement of local election authority election costs if a special election is called by the Governor p.4	\$0 or (More than \$9,000,000)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0 or (More than \$9,000,000)	\$0	\$0

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - Local Election Authorities Reimbursement of election costs by the State for a special election p.4	\$0 or More than \$9,000,000	\$0	\$0
<u>Cost</u> - Local Election Authorities Cost of a special election if called for by the Governor p.4	\$0 or (More than \$9,000,000)	\$0	\$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This constitutional amendment, if approved by the voters, prohibits any state agency from taking any punitive action for property tax assessments conducted by a county that fall below the upper range of acceptable assessment levels, as such terms are defined in the amendment.

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

- Attorney General’s Office
- Office of Administration - Administrative Hearing Commission
- Office of Administration - Budget and Planning
- Department of Commerce and Insurance
- Department of Economic Development
- Department of Elementary and Secondary Education
- Department of Higher Education and Workforce Development
- Department of Health and Senior Services
- Department of Natural Resources
- Department of Corrections
- Department of Labor and Industrial Relations

Department of Revenue, Department of Public Safety
Alcohol and Tobacco Control
Capitol Police
Fire Safety
Director's Office
Gaming Commission
Highway Patrol
Veteran's Commission
State Emergency Management Agency
Department of Social Services
Office of the Governor
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Department of Transportation
Missouri National Guard
MODOT & Patrol Employees' Retirement System
Office of Administration
Office of the State Courts Administrator
Petroleum Storage Tank Insurance Fund
Office of the State Public Defender
Office of the State Treasurer
City of Kansas City,
Jackson County Election
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Newton County Health Department
Kansas City Police Dept.
St. Louis County Police Dept
County Employees Retirement Fund (CERF)
Office of the Lieutenant Governor
Office of the State Auditor
Missouri House of Representatives
Joint Committee on Administrative Rules
Joint Committee on Public Employee Retirement
Legislative Research
Oversight Division
Missouri Senate
Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri State Employee's Retirement System

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State Tax Commission
Office of the Secretary of State
Department of Mental Health



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February 17, 2026



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