

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2032H.011
 Bill No.: HJR 57
 Subject: Taxation and Revenue - General; Taxation and Revenue - Property; Property, Real and Personal; Constitutional Amendments
 Type: Original
 Date: March 29, 2021

Bill Summary: This proposed legislation proposes a constitutional amendment to eliminate personal property tax on January 1, 2027.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2028)
General Revenue*	\$0 or more than (\$7,000,000)	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or more than (\$7,000,000)	\$0	\$0	\$0

*The potential fiscal impact of “(More than \$7,000,000)” 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 2022	FY 2023	FY 2024	Fully Implemented (FY 2028)
Blind Pension Fund	\$0	\$0	\$0	\$0 or (\$7,918,043)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0 or (\$7,918,043)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2028)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2028)
Total Estimated Net Effect on FTE	0	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 2022	FY 2023	FY 2024	Fully Implemented (FY 2028)
Local Government	\$0	\$0	\$0	\$0 or (Less than \$1,737,840,988)

FISCAL ANALYSIS

ASSUMPTION

Officials from **Office of the Secretary of State** 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 the special election has been estimated to be \$7 million based on the cost of the 2020 Presidential Preference Primary.

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.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

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, they reserve 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 2022. 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. The next scheduled statewide primary election is in August 2022 and the next scheduled general election is in November 2022 (both in FY 2023). It is assumed the subject within this proposal could be on one of these ballots;

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 2022.

Officials from the **State Tax Commission** state this proposal eliminates the collection of personal property taxes effective Jan 1 2027. In 2020 the Total Personal Property Taxes collected were \$1.581 Billion (\$997 million vehicles, \$509 million other personal property, \$74 million in centrally assessed personal property). Using a 2.1 % growth rate (the current CPI) and a rate of 3 % the agency estimates the total personal property taxes to range from \$1,791 billion (2.1%) and \$1,887 billion (3%) by 2026.

The fiscal impact by the effective date of January 1, 2027, is estimated \$1.8 to \$1.9 billion to political subdivisions (school districts, cities, counties and other taxing jurisdictions) who rely on personal property tax revenue. In addition, in current law, local property taxes are designed to be neutral by adjusting the levy, however taxing jurisdictions that are currently at their tax rate ceiling would not be able to offset the reduction in revenue. For example, of the 516 school districts, 383 or 74.3% are currently at their ceiling.

Officials from the **Office of Administration - Budget and Planning** state, upon voter approval at the general election in November 2022, this proposal will eliminate personal property tax beginning with tax year 2027. B&P notes that this proposal would become effective for tax year 2027, but property taxes are paid on an annual basis in December of that tax year. Therefore, this proposal would not have an impact until FY28.

Based on publicly available reports, B&P estimates that this will reduce personal property assessed values by \$22,509,299,183 across the state in tax year 2027. B&P notes the assessment percentage is taken against the fair market value of property to determine the taxable value of such property.

B&P notes that the Blind Pension Trust Fund levies a tax on property at the rate of \$0.03 per \$100 assessed value. Therefore, B&P estimates that this section would reduce revenues to the Blind Pension Trust Fund by \$6,752,790 annually. In addition, B&P estimates that this proposal may reduce total local revenues by \$1,493,328,172 annually.

Officials from **Department of Revenue** state this is a constitutional amendment that would need to be voted on at the November 2022 general election. The impact will be \$0 if not adopted by the voters. If adopted, personal property tax would end starting January 1, 2027.

According to the "State Tax Commission Annual Report – 2020," the total assessed valuation for tax year 2020 for Personal Property Tax equals \$22,977,109,819 and taxable personal property valuations accounted for approximately 19.3% of all taxable property valuations over time.

Blind Pension Fund

The amount collected in the Blind Pension Fund in Fiscal Year 2020 was \$36,497,384, as reported in the Missouri Department of Revenue's Financial and Statistical Report – Fiscal Year 2020. The Blind Pension Fund receives \$0.03 per \$100 valuation on all taxable property.

Therefore, DOR estimates that if personal property were no longer taxable, revenues to the Blind Pension Fund would decrease by \$6,893,133 annually (\$22.977 billion x \$0.03/\$100), beginning in FY28.

Administrative Impact

Any impact that may result from this legislation can be absorbed by the DOR.

Officials from the **Department of Social Services (Family Support Division)** state Section A, Article X, Constitution of Missouri is amended to add Section 6(c), which exempts all personal property from taxation effective January 1, 2027.

The proposed constitutional amendment would impact the Blind Pension (BP) fund as all taxable property is assessed with BP funded at 0.03% of each \$100 valuation.

According to the [Missouri Department of Revenue State Tax Commission Annual Report 2020](#), \$21,841,329,053 of the \$118,918,883,729 Total Assessed Valuation for the State of Missouri comes from Tangible Personal Property (TPP). Therefore, TPP comprises about 18.37% ($\$21,841,329,053 / \$118,918,883,729 = 18.37\%$) of total taxable property in Missouri. Because funding for the Blind Pension program is based on a percentage of total taxable property, the Family Support Division expects a decrease in program funding proportionate to the decrease in countable taxable property, or approximately 18.37%.

Property Tax income for the BP fund in SFY 2020 was \$36,641,194, or approximately \$36.6 million. Based on the expected 18.37% decrease in funding, BP fund income will reduce by approximately \$6.7 million ($\$36,641,194 * 18.37\% = \$6,730,987$, rounded down) to approximately \$29.9 million ($\$36.6 \text{ million} - \6.7 million). In SFY 2020, an average of 3,706 Blind Pension recipients received a cash grant from the Blind Pension fund. The Blind Pension cash grant amount for SFY 2021 is \$750 per person per month. The Family Support Division assumes that this amount will decrease by approximately \$151 to \$599 per month ($\$6.7 \text{ million} / 3,706 / 12 = \150.65 , rounded up. $\$750 - \$151 = \$599$), or the additional amount needed for the BP fund will have to be funded by General Revenue or a designated revenue stream.

Therefore, the fiscal impact to the Family Support Division is \$6.7 million in the Blind Pension Fund beginning in SFY 28.

This proposal is not expected to have a fiscal impact on the division of legal services (DLS). DLS neither administers nor litigates issues related to personal property taxation. Therefore, no additional resources would be required in the hearings, litigation, or investigation units.

Officials from the **Office of the State Auditor** assume the proposal will have no fiscal impact on their organization.

Officials from **Jackson County** state the negative fiscal impact to Jackson County would be \$11.7 million per year if all personal property taxes were eliminated.

Officials from the **Grundy County Health Department** state this bill proposes the elimination of Personal Property tax revenue with no proposal for replacing the revenue for political subdivisions. Grundy County Health Department revenue loss would be an estimated \$35,000 to \$40,000 per year (beginning in 2027) based on past years assessment and collections.

Officials from the **Newton County Health Department** assume there would be a negative budget impact in the amount of approximately \$56,000 per year.

Officials from the **Kansas City Health Department** assume the proposal could have a fiscal impact on their organization.

Officials from the **Adair County Assessor's Office** state, if Personal Property was no longer taxable, based on the year 2020, the overall revenue lost for the county would be approximately \$4,231,660. The total loss to General Revenue would be approximately \$346,090.

Officials from **Audrain County Assessor's Office** state, if Personal Property no longer exists, the taxing entities in Audrain County would lose thousands of dollars in tax revenue. Their 2 largest School Districts would lose \$2,690,180 and \$504,464, respectively. Their largest Fire District would lose over \$97,000; Ambulance Districts would lose over \$80,000; etc.

Officials from the **Bollinger County Assessor's Office** state Bollinger County is third class and potential loss of PP revenue would be \$2.1 million in 2027 and continue to increase at three to five percent each year thereafter. This would devastate local fire and school districts. Not sure how or where funds would come from to replace this revenue, this would shift burden negatively somewhere else.

Officials from the **Boone County Assessor's Office** state this proposal would cost the taxing entities of Boone County \$40,000,000 annually. This proposal would shift the property tax burden to real property. Most school districts could legally raise their property tax levy to compensate for lost revenue increasing the tax burden primarily onto homeowners.

Officials from the **Cape Girardeau County Assessor's Office** state, if passed, this is expected to have an annual negative impact to Cape Girardeau County of \$17,000,000.

Officials from the **Cass County Assessor's Office** state this will affect over 20% of Cass county assessment. This will reduce Cass County revenue by \$27,665,907 and they will have to reduce staff by half, eight lost jobs.

Officials from the **Christian County Assessor's Office** state lost tax revenue for Christian County would be approximately 15.5 million dollars. That number is based off a 255,000,000 million assessed value on personal property.

Officials from the **Dent County Assessor's Office** state eliminating personal property taxes would reduce their tax income in Dent County by an estimated \$2,000,000.

Officials from the **Greene County Assessor's Office** state this Constitutional Amendment would exempt all personal property from taxation, with no mechanism for replacing the lost revenue. However, the financial impact to schools and other taxing entities is both negative and significant. Current law allows entities to receive at least as much revenue from property taxes as they received in the prior year. If the personal property tax is eliminated, the tax on real estate would need to be increased to make up for the lost revenue. It is critical to understand that the real impact would fall on the residential property owners. Large businesses with millions of dollars of personal property would get a large windfall. Plus they have the ability to pass along any increase in real estate taxes to their customers. Homeowners do not have that ability and will pay the increase in taxes. To quantify the impact of this amendment, in 2019 the Greene County Collector billed over \$50,125,000 in personal property taxes. Since the amount of personal property taxes typically increases year-over-year, this would be the minimum yearly loss in county revenue due to the elimination of the personal property tax. In addition, revenue from late payment penalties and interest would be eliminated. These fees partially fund the statewide CERF Pension Fund, which would impact the pensions of employees in all 114 Missouri Counties.

Officials from the **Howell County Assessor's Office** state the estimated loss in the first year is \$5,192,360 and that number will increase annually. To make up the shortfall, the bulk of the tax burden will fall on homeowners.

Officials from the **Lincoln County Assessor's Office** state this would be a substantial fiscal impact to all the taxing districts within their county to the tune of \$12,000,000 based on 2020 tax collection figures. This would also place an unfair burden on the residential property owner in the event of recouping the lost revenue if this measure did indeed pass.

There would also be a fiscal impact on their office budget from the lack of taxes collected for personal property - they receive 1.2% of taxes collected that is added to their budget - conservative estimate would amount to \$144,000. Also there would be a substantial revenue shortage placed on the County Employees Retirement Fund by eliminating personal property due to no fees being collected for late assessments - conservative estimate for their county would amount to \$50,000.

If passed - statute 137.115.6 manufactured homes would need to be updated to make all mobile homes real property - if not all personal property mobile home owners will not pay any local

taxes, estimated tax loss would be \$135,000.00 of the \$12 million total personal property tax amount.

Officials from the **Moniteau County Assessor's Office** state, in 2020 Moniteau County's Personal Property tax billing was \$2,899,648. Based on the language, and a 2% annual increase in tax billing, Moniteau County would expect to lose \$3,330,785 in revenue beginning in 2027.

With no personal property taxes collected beginning January 1, 2027, the County will experience extreme budgetary shortfalls that will affect schools, fire districts, road districts, ambulance, etc. To make up for these shortfalls other taxes or fees will have to be enacted at an increased cost to the County residents.

The cost savings that would incur with this proposal would basically come with printing and postage expenses as assessment sheets and 2nd reminders would not be printed in years 2027 and after. Those costs are approximately \$10,000 per year.

Officials from the **Perry County Assessor's Office** state decreased revenue from personal property taxes would amount to almost five million in tax collections for Perry County, Missouri based on 2020 and the burden of these taxes will be shifted to the landowners.

Officials from **Putnam County Assessor's Office** state this proposal would cost the taxing entities of Putnam County \$1,500,000 million annually. Putnam County had a total of \$7.5 million in total tax. If personal property tax is eliminated that would take away \$1,500,000 annually, that's approximately 20 percent of Putnam County's tax revenue. This would shift the tax burden to homeowners, farmers, and local commercial property owners. Because School Districts are guaranteed stable funding through the Missouri Constitution, districts would be allowed to increase their tax levies to make it up.

Officials from the **Randolph County Assessor's Office** assume this would cost Randolph County, Missouri approximately, \$7,000,000 in lost revenue.

Officials from the **Shelby County Assessor's Office** state, in Shelby County personal property makes up about 30% of the Total Assessed Valuation annually. The average tax levy is about 6%. There is a total estimate of revenue lost annually of \$2,329,447 to the taxing districts in Shelby County, not including cities. The revenue loss to the cities annually would be \$243,730 total. There would also be a negative impact to the assessment fund budget in Shelby County of \$34,941 annually for the 1.5% of taxes collected on personal property.

Personal Property taxes collected make up 20% of the Assessment Fund annually.

There would be a direct impact on the salaries or elected officials in Shelby County for a total loss in wages of \$41,920 annually as the Elected Official's Salary increases are based on total assessed valuation.

Officials from the **Ste Genevieve County Assessor's Office** state this would have a tremendous impact on Ste Genevieve County. Based on the 2020 Personal Property certified values, the taxing entities in Ste Genevieve County stand to lose \$6,272,000 annually in taxes. This would affect 5 different school districts in Ste Genevieve County, along with those with special needs, mental health needs, their hospital, road departments, senior citizens, and also the State blind pension fund.

Officials from the **Cape Girardeau County Collector's Office** state Cape Girardeau County sent Personal Property bills totaling \$15,784,469.53 for the tax year of 2020 based on their Form 1309.

Officials from the **Ste. Genevieve County Collector's Office** state personal property taxes have made up about \$5 million or 18% of current taxes in Ste. Genevieve County in the past three tax years. Delinquent personal property taxes have made up from \$420K to \$514K or from 32.6% to 35.7% of delinquent property taxes in Ste. Genevieve County in the past three tax years.

Officials from the **County Employees Retirement Fund (CERF)** state fees related to personal property taxes are a considerable portion of the revenue received to fund CERF. This bill could potentially reduce or eliminate a significant portion of CERF's revenue stream which would have a dramatic, negative impact on the funding of the Plan. Since the proposed change is effective January 1, 2027, we have included the estimated loss of revenue over the years 2027 through 2029:

- FY 2027: \$28.2 million
- FY 2028: \$28.7 million
- FY 2029: \$29.3 million

This change is expected to result in a recurring impact in lost revenue in all future years beginning in FY 2027, given CERF's funding sources. The long-term impact of this bill would be a reduction in the funded status of CERF since contributions from other sources would not change to offset the loss of revenue from fees related to personal property taxes. We estimate the potential loss of funding dollars to CERF over the next 25 years to be \$603 million which would reduce the market value of assets in the January 1, 2045 valuation by \$1.17 billion (\$603 million with investment earnings).

Given the funding sources for CERF, contributions will not be impacted. However, the future funding of the system will be negatively impacted over time and the funded status is expected to decline rather than increase as it does with the current funding sources.

Officials from the **Florissant Valley Fire Protection District** state this proposal in essence imposes an unfunded mandate for jurisdictions that receive revenue from personal property taxes with no remedy. This would result in increased real property taxes, reduction in services, and possibly loss of jobs. For public safety agencies, a reduction in services will have a negative impact on the safety and protection of their service area and its population. Local governments

and their voters should decide these kinds of actions the unique characteristics of each local jurisdiction must be taken into consideration. In some cases, local governments have few other options for relief to make up the loss of revenue from this funding vehicle.

Officials from the **Fruitland Area Fire Protection District** state, if passed, this would have a negative fiscal impact on their funding since we are completely property taxed based. With their area it would be difficult to operate on sales tax money.

Officials from the **Nodaway County Ambulance District** state, while this would not impact them directly, as they use primarily sales tax. But in the event they would need to go back to property tax in the future this would eliminate a lot of tax revenues and would have a negative impact to political subdivisions that are currently getting funds from personal property taxes.

Officials from the **Hurley R-I School District** assume this proposal would have a dramatic impact on their school district. Their taxpayers have voted to support education in their rural neighborhoods with a high tax rate levy.

Based on 2020 personal property. The Lee's Summit School District would lose the following revenue. An escalator should be also be considered in its impact.

Officials from the Lee's Summit R-VII School District state the following:

2020 Personal Property:	380,074,261
Classification %:	33%
Assessed Value:	1,266,901
X Tax Rate:	5.4705
/ Levy Per \$100	

Projected Loss: \$6,930,584

Officials from the **St. Charles Community College** assume this bill would have a significant negative fiscal impact. Personal property represents 16% of total assessed value. Assuming the lost revenue would be proportionate, the impact to operating revenues would be \$2.3 mil and debt service revenue would be \$800,000 less.

Officials from the **City of Corder** state losses in 2027 would be approximately \$10,000.

Officials from the **City of Springfield** anticipate a significant negative fiscal impact from this proposed constitutional amendment. Approximately \$3.25 million, representing 16% of the City's total property taxes collected, would be eliminated, which would have a very negative impact on the City's core services.

Officials from the **Crawford County 911 Board, Pettis County Ambulance District** and the **City of Claycomo** assume the proposal will have no fiscal impact on their organization.

Oversight notes, per the State Tax Commission's website, personal property tax was approximately 17.7% or \$1,504,026,235 of the total property burden (\$8,497,323,362 *.177). In addition, Oversight notes, the Federal Open Market Committee's [target inflation rate](#) is 2%. Applying a 2% compounded inflation rate, Oversight estimates the loss of revenue to local political subdivisions is \$1,737,840,988.

However, Oversight notes property tax revenues are designed to be revenue neutral from year to year. The tax levy is adjusted relative to the assessed value to produce roughly the same revenue from the prior year with an allowance for growth. Oversight assumes some taxing entities will be able to increase the tax rate levied on real property to make-up for the lost revenue. Therefore the revenue lost to the all taxing entities as a whole is likely less than the amount estimated above.

For instance, Greene County's General Revenue tax rate levied was 0.1177 in 2019, the tax rate ceiling was 0.2494 and the maximum authorized rate was 0.3500. Using the [Property Rate Calculator](#) on the Office of the State Auditor website, Oversight estimated that a loss of \$950,200,484 in personal property assessed value would raise the tax rate ceiling to 0.30145 and the tax rate levied to 0.1437 in order to collect roughly the same revenue as the prior year. The higher rate could be applied to the assessed valuation for real property to make-up the revenue lost from the personal property exemption.

However, some taxing entities have tax rate ceilings that are at their statutory or voter approved maximum. For these taxing entities, any decrease in the assessed values would not be offset by a higher tax rate rather it would result in a loss of revenue.

Based on information provided by the Office of the State Auditor, **Oversight** notes, in 2020, there were over 2,500 tax entities with 4,000 different tax rates. Of those entities, 2,980 tax rate ceilings were below the entities' statutory or voter approved maximum tax rate and 1,098 tax rate ceilings were at the entities' statutory or voter approved maximum rate. (These numbers do not include entities which use a multi-rate method and calculate a separate tax rate for each subclass of property.)

Oversight assumes there could be some savings to local assessment and collection authorities if they no longer had to assess and collect personal property tax.

Oversight notes the Blind Pension Fund (0621) is calculated as an annual tax of three cents on each one hundred dollars valuation of taxable property ((Total Assessed Value/100)*.03). Based on information on the State Tax Commission the total assessed value of personal property was \$22,977,109,819. Because this proposal eliminates the personal property tax, the Blind Pension Fund will experience a decrease in revenue of \$6,893,133. Applying a 2% inflation rate, Oversight estimates the loss to the Blind Pension Fund at \$7,918,043 in CY 2027 (and FY 2028).

Although the effective date of this proposal, if passed, would be FY 2022, personal property would be exempt from taxation beginning January 1, 2027 with revenues collected in December 2027 or FY 2028.

Oversight notes this proposal is contingent on a voter approved amendment to the Constitution. Oversight will show the impact as either \$0 (Constitutional amendment is not approved by voters) to the estimated loss in revenue to the Blind Pension Fund and local political subdivisions beginning in FY 2028.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2028)
GENERAL REVENUE				
<u>Transfer Out - Local Election Authorities the cost of the special election if called for by the Governor</u>	\$0 or <u>(\$7,800,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or <u>(\$7,800,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
BLIND PENSION FUND				
<u>Revenue Reduction - DSS if voters approve the elimination of the personal property tax</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0 or <u>(\$7,918,043)</u>
ESTIMATED NET EFFECT ON THE BLIND PENSION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0 or <u>(\$7,918,043)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2028)
LOCAL POLITICAL SUBDIVISIONS				
<u>Transfer In</u> - to Local Election Authorities the cost of a special election	\$0 or \$7,800,000	\$0	\$0	\$0
<u>Cost</u> - Local Election Authorities the cost of the special election if called for by the Governor	\$0 or (\$7,800,000)	\$0	\$0	\$0
<u>Revenue (Loss)</u> - the elimination of the personal property tax if voter approved	\$0	\$0	\$0	\$0 or (Less than \$1,737,840,988)
<u>Savings</u> - to counties who no longer have to assess and collect personal property tax if voter approved	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (Less than \$1,737,840,988)</u>

FISCAL IMPACT – Small Business

Oversight assumes there could be a fiscal impact to small businesses if the change in assessed value resulted in an adjustment in the tax rate for commercial property. Small businesses that pay personal property taxes could be positively impacted by this proposal.

FISCAL DESCRIPTION

Beginning January 1, 2027, upon voter approval, this proposed Constitutional amendment would exempt personal property from taxation.

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

State Tax Commission
Office of Administration - Budget and Planning
Department of Revenue
Department of Social Services
Office of the Secretary of State
Office of the State Auditor
City of Claycomo
City of Corder
City of Springfield
Jackson County
Grundy County Health Department
Kansas City Health Department
Newton County Health Department
Adair County Assessor's Office
Audrain County Assessor's Office
Bollinger County Assessor's Office
Boone County Assessor's Office
Cape Girardeau County Assessor's Office
Cass County Assessor's Office
Christian County Assessor's Office
Dent County Assessor's Office
Greene County Assessor's Office
Howell County Assessor's Office
Lincoln County Assessor's Office
Moniteau County Assessor's Office
Perry County Assessor's Office
Putnam County Assessor's Office
Randolph County Assessor's Office
Shelby County Assessor's Office
Ste. Genevieve County Assessor's Office
Cape Girardeau County Collector's Office
Ste. Genevieve County Collector's Office
Florissant Valley Fire Protection District

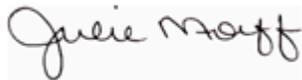
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Fruitland Area Fire Protection District
Crawford County 911 Board
Nodaway County Ambulance District
Pettis County Ambulance District
Hurley R-I School District
Lee's Summit R-VII School District
St. Charles Community College



Julie Morff
Director
March 29, 2021



Ross Strobe
Assistant Director
March 29, 2021