



Senate Bill 3 & Prop RT FACT SHEET

There's a new state law & voters have a say.

Senate Bill 3 is a new Missouri law that has the potential to significantly impact a major source of revenue for school districts, essential services providers, and others in St. Charles County. Voters will decide in the Tuesday, April 7, 2026, general election whether to grant certain property tax credits to eligible homeowners.

Property taxes could be frozen.

If voters approve the ballot measure, the result will be a freeze on residential property taxes for eligible homeowners.

Property taxes fund schools and essential services.

For public school districts, property tax revenue directly supports classrooms, teachers and support staff, student programs, extracurricular activities, and the daily operations of schools. *Essential services such as fire, ambulance, roads, cities, libraries and resource boards also rely on property taxes and would be impacted by Senate Bill 3.*

The impact on the City of St. Charles School District could be significant.

Nearly 75% of SCSD's operating revenue comes from local property taxes. If voters approve Proposition RT in April 2026, the District could see a \$1 million loss of revenue for the initial year the tax credits begin. That shortfall could grow to nearly \$3 million annually within five years.

Other essential services, not just schools, depend on property tax revenue.

If Proposition RT passes, the potential aggregate impact to countywide essential services would also be significant. St. Charles County Assessor Travis Welge estimates that 82% of homes in St. Charles County are owner-occupied and are therefore eligible for the tax credits. If the measure passes, essential services - including fire, ambulance and libraries - collectively are projected to lose nearly \$52 million in property tax revenue in the initial year the tax credits begin, and the shortfall could continue to grow.

Alternative funding sources have not been identified.

While some public services have access to sales tax revenue or other local sources, no alternative funding mechanism has been identified for school districts to make up for lost revenue due to frozen property taxes.

State and federal funding is limited and uncertain.

Missouri has been ranked by outside sources as one of the lowest states in the nation in the percentage of funding public schools receive directly from the state. Federal education funding has already been reduced in a number of areas, and now Missouri is considering overhauling the state's Foundation Formula, which determines the amount of direct state funding provided to public schools.



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The Hancock Amendment already limits revenue growth.

Revenue growth for school districts and other tax-supported services is already limited by the Hancock Amendment. Under the Hancock Amendment, districts must reduce their tax levies to ensure rising property values do not result in a revenue “windfall.” Senate Bill 3, however, did not adjust the revenue determination under the Hancock Amendment calculations to offset the impact of the new tax credits. This means tax revenue that is not actually received by the school district will still be used when setting limits on revenue growth. In short, tax levies will be based on revenue numbers prior to the tax credits being factored in, not on the actual revenue the district will receive, which could lead to lower revenue growth allowed under the Hancock Amendment.

Revenue losses could force cuts.

Without revenue growth to keep pace with inflation, SCSD will be faced with difficult decisions regarding how to operate with potentially reduced revenue. This may lead to reducing or eliminating different areas of operations or programs, including but not limited to:

- Student programs or extracurriculars;
- Transportation services;
- Building repairs and upgrades;
- Salaries and employee benefits;
- Class sizes; and
- Staffing levels.

Strong schools provide multiple benefits to communities.

Schools function not only as places of learning but also as hubs that connect families, organizations, and residents through community events, athletic competitions, and civic engagement opportunities. High-performing schools are a major factor considered by families relocating to a new area, with the quality of a school district directly linked to higher property values. Strong school districts are also economic drivers. SCSD provides entry-level and skilled jobs for thousands of residents, and is also a key partner in workforce development, providing businesses with qualified candidates and attracting new industries to the area.

NO REPLACEMENT REVENUE STREAM HAS BEEN IDENTIFIED.