

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6873

BILL NUMBER: HB 1430

NOTE PREPARED: Jan 1, 2026

BILL AMENDED:

SUBJECT: Referenda on Preschool Funding Levies.

FIRST AUTHOR: Rep. Johnson B

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows the legislative body of a county and certain cities to adopt a resolution to place a referendum on the ballot to impose a local preschool referendum tax levy (levy) to fund administration of a preschool program and provide tuition and other assistance.

This bill allows a unit to impose a levy if approved by a majority of the voters. It provides that voters may not approve a levy that is imposed for more than eight years. The bill specifies procedures for the referendum. It also provides that a unit that imposes a levy must establish a preschool education program and a local preschool education referendum tax levy fund.

Effective Date: Upon passage.

Explanation of State Expenditures: *DLGF*: The Department of Local Government Finance (DLGF) will review the public question for compliance and will work with the county auditor to determine the tax rate necessary to raise the approved maximum levy. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures: Under the bill, a county, or a first- or second-class city may seek a local preschool education referendum tax levy to support a preschool education program. Revenue from the levy will be paid into the local preschool education referendum tax levy fund. Revenue will be used for tuition assistance to eligible children and capacity investments, quality improvement, and capacity expansion grants to eligible providers.

Children eligible for the program include three- and four-year olds who live within the boundaries of the adopting unit. Eligible providers include licensed child care centers and child care homes, registered child care ministries, public schools, and accredited nonpublic schools.

Explanation of Local Revenues: Under this bill, counties and first- or second-class cities will be permitted to ask the voters through a referendum to approve an additional property tax levy for up to eight years to support a preschool education program. Referendum levies may be reimposed or extended for up to eight years at a time. The ballot question must include a maximum tax rate and a maximum levy amount.

A referendum may be held only at a general election. Successful referenda held in CY 2026 would first affect taxes payable in CY 2027. The amount of additional property tax levy imposed under this bill depends on the rate and levy requested and on the ultimate public vote. Property taxes imposed after being approved by the voters in a referendum are not subject to the tax caps, so passage of a referendum levy will not affect revenues for other taxing units. The additional levy will increase property tax bills for all property tax payers served by the unit(s) holding a successful referendum.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Counties, first- and second-class cities.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.