

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3727H.02P
 Bill No.: Perfected HCS for HB 2289
 Subject: Newspapers and Publications
 Type: Original
 Date: March 30, 2022

Bill Summary: This proposal changes the law regarding advertisements and orders of publication in newspapers.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------------------------|------------------------------|------------------------------|
| FUND AFFECTED | FY 2023 | FY 2024 | FY 2025 |
| General Revenue Fund* | \$100,000 - \$300,000 | \$100,000 - \$300,000 | \$100,000 - \$300,000 |
| Total Estimated Net Effect on General Revenue | \$100,000 - \$300,000 | \$100,000 - \$300,000 | \$100,000 - \$300,000 |

*Represents a range of savings from being allowed to advertise on a website instead of a newspaper.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2023 | FY 2024 | FY 2025 |
| | | | |
| Total Estimated Net Effect on <u>Other State Funds</u> | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2023 | FY 2024 | FY 2025 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2023 | FY 2024 | FY 2025 |
| | | | |
| | | | |
| 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 2023 | FY 2024 | FY 2025 |
| Local Government | Unknown | Unknown | Unknown |

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

In response to the previous version, officials from the **Office of the Secretary of State (SOS)** assumed 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 the 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Office of Administration-Budget and Planning, Missouri Veterans Commission, and State Emergency Management Agency** each assume the proposal will have no fiscal impact on their respective organizations.

In response to the previous version, officials from the **Attorney General's Office, Office of Administration - Administrative Hearing Commission, Department of Commerce and Insurance, Department of Economic Development, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Mental Health, Department of Corrections, Department of Revenue, Department of Public Safety - Capitol Police, Office of the Director, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Ethics Commission, Missouri Department of Transportation, MoDOT & Patrol Employees' Retirement System, Office of Administration, Office of the State Public Defender, Office of the State Auditor, Office of the State Treasurer, Missouri House of Representatives, Joint Committee on Education, Joint Committee on Public Employee Retirement, Legislative Research, Oversight Division, Missouri Senate, Missouri Lottery Commission, Missouri Consolidated Health Care Plan, Missouri Higher Education Loan**

Authority, Missouri State Employee's Retirement System, Missouri Office of Prosecution Services, and State Tax Commission each assumed the proposal will have no fiscal impact on their respective organizations.

In response to the previous version, officials from the **Department of Higher Education and Workforce Development, Department of Natural Resources, Department of Labor and Industrial Relations, Department of Public Safety - Division of Alcohol and Tobacco Control, Fire Safety, Missouri National Guard, Joint Committee on Administrative Rules and Department of Social Services** each assumed the proposal will have no fiscal impact on their respective organizations.

Officials from the **City of Claycomo** assume the proposal will have no fiscal impact on their organization.

In response to the previous version, officials from the **City of Kansas City and St. Louis Budget Division** both assumed the proposal will have no fiscal impact on their organization.

In response to the previous version, officials from the **City of Freistatt, City of Hughesville, and City of Springfield** each assumed the proposal will have no fiscal impact on their respective organizations.

In response to the previous version, officials from the **City of O'Fallon** assumed this could save the City conservatively \$30,000 a year as they would no longer need to post in a newspaper that requires a paid subscription.

In response to the previous version, officials from the **University of Missouri** assumed there should not be a significant fiscal impact on their organization.

In response to the previous version, officials from the **University of Central Missouri** assumed the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Missouri State University** assumed the proposal will have no fiscal impact on their organization.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

House Amendment 1

Section 8.250 – Public Contracts

In response to similar legislation, SB 758 from 2022, officials from the **Office of Administration - Facilities Management, Design and Construction (OA-FMDC)** stated this

section of the proposal would permit OA-FMDC to place invitations to bid for construction projects on its website or MissouriBUYS for a period of ten days or more rather than advertising in the newspaper. On average, for the period from FY19-FY21, FMDC spent \$101,990 per year on newspaper advertising. However, this number is lower than in the past given that many construction projects have been on hold during this timeframe. FMDC’s advertising costs averaged around \$300,000 per year in the past when more capital improvement projects were being completed. FMDC expects a saving of \$100,000 to \$300,000 per year from this change.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated savings provided by OA-FMDC.

Oversight notes that Section 8.250.2 would permit invitations to bid for construction projects or on the website of the city or through an electronic procurement system rather than advertising in the newspaper. Therefore, Oversight will reflect an unknown savings to local political subdivisions.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other local election authorities, cities, counties, schools, and universities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in Oversight’s database is available upon request.

| <u>FISCAL IMPACT – State Government</u> | FY 2023 (10 Mo.) | FY 2024 | FY 2025 |
|---|---|---|---|
| GENERAL REVENUE FUND | | | |
| <u>Savings – OA §8.250 p.4-5</u> Newspaper Advertising | <u>\$100,000-</u> <u>\$300,000</u> | <u>\$100,000-</u> <u>\$300,000</u> | <u>\$100,000-</u> <u>\$300,000</u> |
| ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND | <u>\$100,000-</u> <u>\$300,000</u> | <u>\$100,000-</u> <u>\$300,000</u> | <u>\$100,000-</u> <u>\$300,000</u> |

| <u>FISCAL IMPACT – Local Government</u> | FY 2023 (10 Mo.) | FY 2024 | FY 2025 |
|---|-----------------------|-----------------------|-----------------------|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Savings – §8.250 p.5</u> Newspaper Advertising | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |
| ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |

FISCAL IMPACT – Small Business

Certain small business newspapers could be impacted by this proposal.

FISCAL DESCRIPTION

Currently, in order to qualify as a newspaper legally acceptable to run public notices and advertisements, a newspaper must have been published regularly for a period of three years; or must be the successor newspaper to a defunct newspaper and begin publication no later than 30 days after the termination of the prior newspaper.

This bill reduces the time period of regular publication from three years to one year, and increases the time period from 30 days to 90 days within which a successor newspaper must begin publication. The bill also allows a newspaper that has been purchased or newly established by another newspaper that satisfies these conditions to qualify.

This bill also modifies the requirements of notice for sale by an operator of a self-service storage facility for the sale of personal property of an occupant in default. In addition to advertising in the classified section of a newspaper prior to sale, the operator may also and instead advertise in any other commercially reasonable manner. The advertisement is commercially reasonable if at least three independent bidders attend the sale.

(Section 8.250)

All contracts for projects entered into by an officer or agency of the state in excess of \$100,000 shall be let to the lowest, responsive, responsible bidder or bidders based on pre-established criteria after publication of an invitation to bid for a period of ten days or more on the website of the officer or agency or through an electronic procurement system.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

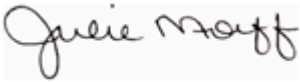
SOURCES OF INFORMATION

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 Mental Health
Department of Natural Resources
Department of Corrections

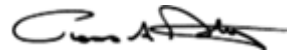
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
Division of Alcohol and Tobacco Control
Capitol Police
Fire Safety
Office of the Director
Missouri Gaming Commission
Missouri National Guard
Missouri Highway Patrol
Missouri Veterans Commission
State Emergency Management Agency
Department of Social Services
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri Department of Transportation
MoDOT & Patrol Employees' Retirement System
Office of Administration
Office of the Secretary of State
Office of the State Public Defender
City of Kansas City
City of Springfield
City of St. Louis – Budget Division
City of Claycomo
City of Freistatt
City of O'Fallon
City of Hughesville
Missouri State University
University of Central Missouri
Office of the State Treasurer
Office of the State Auditor
Missouri House of Representatives
Joint Committee on Administrative Rules
Joint Committee on Education

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Legislative Research
Oversight Division
Missouri Senate
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
Missouri State Employee's Retirement System
State Tax Commission



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March 30, 2022



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