

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1579S.05S  
 Bill No.: CCS for HCS for SS for SB 333  
 Subject: Charities  
 Type: Original  
 Date: May 14, 2021

Bill Summary: This proposal modifies provisions relating to nonprofit organizations.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                                |                                |                                |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| FUND AFFECTED  | FY 2022                        | FY 2023                        | FY 2024                        | Fully Implemented (FY 2025)    |
| General Revenue                                      | Up to<br>(\$6,437,485)         | Up to<br>(\$7,811,939)         | Up to<br>(\$7,440,126)         | Up to<br>(\$7,197,883)         |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>Up to<br/>(\$6,437,485)</b> | <b>Up to<br/>(\$7,811,939)</b> | <b>Up to<br/>(\$7,440,126)</b> | <b>Up to<br/>(\$7,197,883)</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>       |                  |                   |                  |                             |
|--|------------------|-------------------|------------------|-----------------------------|
| FUND AFFECTED  | FY 2022          | FY 2023           | FY 2024          | Fully Implemented (FY 2025) |
| Antioch Cemetery                                       | \$0              | \$0               | \$0              | \$0                         |
| Agriculture Protection Fund                            | (\$6,780)        | (\$3,390)         | \$0              | \$0                         |
| Technology Trust Fund                                  | \$180            | (\$77,384)        | \$290,979        | \$501,198                   |
| <b>Total Estimated Net Effect on Other State Funds</b> | <b>(\$6,600)</b> | <b>(\$80,774)</b> | <b>\$290,979</b> | <b>\$501,198</b>            |

Numbers within parentheses: () indicate costs or losses.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>           |                |                |                |                                    |
|--|----------------|----------------|----------------|------------------------------------|
| <b>FUND AFFECTED</b>                                   | <b>FY 2022</b> | <b>FY 2023</b> | <b>FY 2024</b> | <b>Fully Implemented (FY 2025)</b> |
| Federal Farmers' Market Nutrition Program Fund*        | \$0            | \$0            | \$0            | \$0                                |
| <b>Total Estimated Net Effect on All Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>                         |

\*Income and costs of approximately \$235,000 net to zero.

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |                                    |
|---|----------------|----------------|----------------|------------------------------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2022</b> | <b>FY 2023</b> | <b>FY 2024</b> | <b>Fully Implemented (FY 2025)</b> |
| General Revenue – MDA                                     | 1 FTE          | 1 FTE          | 1 FTE          | 1 FTE                              |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>1 FTE</b>   | <b>1 FTE</b>   | <b>1 FTE</b>   | <b>1 FTE</b>                       |

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.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                 |                 |                 |                                    |
|--|-----------------|-----------------|-----------------|------------------------------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2022</b>  | <b>FY 2023</b>  | <b>FY 2024</b>  | <b>Fully Implemented (FY 2025)</b> |
| <b>Local Government</b>                    | <b>\$38,583</b> | <b>\$42,307</b> | <b>\$42,307</b> | <b>\$42,307</b>                    |

## FISCAL ANALYSIS

### ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). 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.

#### §105.1500 – The Personal Privacy Protection Act:

In response to a previous version, officials from the **Office of Administration – Budget and Planning (B&P)** state Section 105.1500 establishes the Personal Privacy Protection Act which prohibits the listed entities from sharing personal information in its possession. A person or entity found to be in violation of this section would be subject to a fine of no less than \$2,500 per violation with fines being tripled if the violation is intentional. The section also provides for the reimbursement of litigation fees. Any person who knowingly violates this section is guilty of a class B misdemeanor. To the extent any related fines are deposited in the state treasury, Total State Revenues may be impacted.

Officials from the **University of Missouri** state although this proposed legislation will create possible new sources of liability for the University of Missouri System, they do not believe it will have a significant fiscal impact.

**Oversight** assumes the fiscal impact from §105.1500.5 (if any) would not be material to the state or to local political subdivisions.

Officials from the **Office of Administration, Department of Commerce and Insurance, Department of Economic Development, Department of Labor and Industrial Relations, Missouri Department of Conservation, Office of the Secretary of State, Department of Natural Resources, Missouri Office of Prosecution Services, Department of Health and Senior Services, Department of Corrections, Department of Elementary and Secondary Education, Department of Mental Health, Department of Social Services, Office of the State Public Defender, Missouri Department of Transportation, Missouri State Employee's Retirement System, Office of the Attorney General, Department of Higher Education and Workforce Development, Administrative Hearing Commission, Department of Revenue, Department of Public Safety (Fire Safety, Office of the Director, Missouri National Guard, Alcohol and Tobacco Control, Capitol Police, Highway Patrol, Veterans Commission, State Emergency Management Agency, Missouri Gaming Commission), Department of Agriculture, Missouri Ethics Commission, MoDOT & Patrol Employees Retirement System, Missouri Lottery Commission, Missouri Consolidated Health Care Plan, Office of the State Courts Administrator and the Missouri State Tax Commission** each assume the proposal would not fiscally impact their respective agencies.

**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.

Officials from the cities of **Claycomo**, **Corder**, and **Springfield** each assumed the proposal would not fiscally impact their cities.

**Oversight** received a limited number of responses from municipalities related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional 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.

§208.018 – SNAP recipients allowed/encouraged to utilize local farmers' markets

In response to a similar proposal (SB 575), officials from the **Department of Social Services (DSS), Family Support Division (FSD)** stated §208.018 is amended to extend the pilot program for Supplemental Nutrition Assistance Program (SNAP) participants to purchase fresh food at farmers' markets with a dollar – for - dollar match up to ten dollars per week until August 28, 2027.

Previously, FSD partnered with a nonprofit organization which had a grant from the United States Department of Agriculture (USDA), to implement this program. If there is not a nonprofit organization administering this program, FSD assumes DSS will administer the program directly should the provisions of this legislation be enacted.

FSD currently utilizes a third party vendor to administer SNAP benefits to participants on Electronic Benefit Transfer (EBT) cards. The current EBT vendor estimates the necessary programming changes will cost approximately \$150,000 to implement and approximately \$6,500 per month to maintain. Due to the necessary programming changes required, the EBT vendor estimates implementation cannot occur before October 2021.

The provisions of this legislation require the pilot program to be established in at least one urban area and one rural area in Missouri. For the purposes of this fiscal note, FSD assumes the pilot program will be administered in no more than one urban area and one rural area. FSD determined the number of households receiving SNAP in the most populated urban area and the least populated rural area to estimate the fiscal impact. In November 2020, there were 50,743 households receiving SNAP in St. Louis County, the greatest populated urban area in Missouri and 90 households receiving SNAP in Worth County, the smallest populated rural area.

FSD assumes 25% of the 50,833 (50,743 + 90) SNAP households in these areas will participate in the program for a total of 12,708 SNAP households (50,833 \* 0.25 = 12,708.25, rounded down).

Based on the assumption this program will administer a pilot to 12,708 households in St. Louis County and Worth County, each household will receive an additional \$10 in weekly benefits to use at farmers' markets. With implementation beginning October 2021, each household will receive up to an additional \$390 (39 weeks \* \$10) in the first year and up to an additional \$520 (52 weeks \* \$10) in each year following. Therefore, the total additional benefits administered to SNAP participants to use at farmers' markets could be up to \$4,956,120 (12,708 \* \$390) in FY 22 and up to \$6,608,160 (12,708 \* \$520) in each year following.

FSD assumes the administration of this program can be accomplished with existing staff.

FSD defers to OA-ITSD for any system changes necessary to implement the provisions of this legislation.

Therefore, the total fiscal impact to FSD is \$0 to \$5,164,620 (\$150,000 EBT implementation + \$58,500 EBT Maintenance (\$6,500 \* 9 months) + \$4,956,120 benefits) in FY 22 and \$0 to \$6,686,160 (\$78,000 EBT Maintenance (\$6,500 \* 12 months) + \$6,608,160 benefits) in FY 23 and each year following.

DSS will explore opportunities for grants, gifts, donations, or partnerships with nonprofit organizations for the administration of this program. However, without the receipt of grant funds, other gifts, donations, or nonprofit organization partnerships, this program would be fully funded by general revenue and is subject to appropriations.

There is a possibility in the future of receiving a Federal Grant for the program, but none have been granted at this time. So cost have been calculated in General Revenue at this time.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by FSD.

In response to a similar proposal (SB 575), officials from the **DSS, Division of Legal Services (DLS)** state SB 575 will result in no fiscal impact to DLS. SB 575 moves the sunset date for the pilot program established under this section. No additional DLS resources would be required in litigation, investigations, hearings or human resources.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DLS.

**Oversight** learned, in discussions with DSS officials, that the non-for-profit Mid-America Regional Council (MARC) ran the Double Up Food Bucks (DUFEB) program under a grant from summer 2016 through October 31, 2019. The MARC's final report shows there were 53 Farmers Markets that participated some time during the grant period. At those markets, 52,843 SNAP transactions were made for \$959,156 reimbursement/transactions. The DUFEB incentive had a distribution of \$811,532 of which \$765,546 or 94% was redeemed.

The program was originally going to run through December 31, 2019, but was shut down on October 31, 2019 to allow time to close out the grant from the USDA and plan for 2020 with local funding they had. The local funding was only for Kansas and some Kansas City locations.

In response to a similar proposal (SB 575), officials from the **Missouri Department of Agriculture** and the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### §208.285 – Senior Farmers’ Market Nutrition Program

In response to a similar proposal (SB 525), officials at the **Missouri Department of Agriculture (MDA)** noted the following regarding this proposal:

MDA assumed the federal grant award for Missouri will be \$235,070, which was the amount received the last year that Missouri received Women, Infant and Children supplemental nutrition program (WIC) funding for farmers markets (FY 2009). The reward would result in total federal administrative funds of \$39,962 ( $\$235,070 \times 17\%$ ). This grant requires a 30% cash match of administrative funding equaling \$11,989. As stated in CFR 248.2, matching requirement, the match may be satisfied through expenditures for similar farmers' market programs which operate during the same period.

The remaining portion of the WIC Farmer’s Market Nutrition Program (FMNP) utilized for food vouchers in Missouri equals \$195,108 ( $\$235,070 - \$39,962$ ). For the purposes of this fiscal note, MDA assumes the benefit amount by each recipient or household is \$30, which results in 6,504 participants ( $\$195,108/30$ ) and 39,024 vouchers (six \$5 vouchers totaling \$30 per participant).

MDA plans to pilot the WIC FMNP in the same areas as the State Farmer’s Market Nutrition Program (SFMNP) with authorized farmers at farmers' markets only.

MDA assumes that it will be able to utilize existing WIC staff in the piloted areas. The local agencies in the pilot areas will be given \$42,307 ( $\$680$  base pay  $\times$  45 local agencies + \$0.30 per voucher redeemed) to administer the vouchers to eligible participants. Local agencies will be instructed to operate the program on a "first come, first serve" basis.

MDA will need one (1) additional FTE to implement this proposal. The FTE will be responsible for coordinating the voucher program, monitoring the grant budget, completing the required reports, coordinating efforts with local public health WIC agencies, and coordinating efforts with farmers' markets and producers across Missouri. The fiscal impact also factors in 10% of the program manager’s time. Normal E&E costs are also necessary to support the on-going operation of the program.

The following additional costs are also essential to the program's operation:

Solutran - \$20,000

- Cost of printing vouchers
- Cost of processing vouchers
- Cost of returned vouchers
- Base, set up and deposit fee
- SOAR account reporting

Local Public Health/WIC Agencies - \$42,307 (\$19,962 Federal; \$22,345 General Revenue)

- Based on SFMNP areas
- Promote the program to eligible residents
- Distribute program applications
- Determine participant eligibility
- Process program applications
- Issue vouchers to eligible participants
- Perform nutrition education requirements
- Audit for dual participation within each assigned area

Outreach/Printing/On-going Expenses/One-time costs - \$10,000

- Outreach and recruitment of participants, farmers and farmers' markets
- Program signage for farmers' markets
- Printing of numerous federally required forms
- Website and social media outreach
- Creating, printing and distributing promotional materials for the program
- Creating, printing and distributing training materials for the program
- Customization and ordering of authorized farmer stamps, a required component of the program
- Printing of all-weather signage to be hung at authorized farmers' booths

Training - \$5,000

- Design a program training for farmers, farmers' markets and local agencies
- Implementation of program training courses
- Extensive travel involved to conduct multiple trainings annually
- Extensive travel involved to inspect at a minimum 10% (as federally required) of authorized farmers annually
- Cost of conducting both farmer reviews and local agency reviews annually

**Oversight** does not have any information to the contrary in regards to MDA's assumptions; therefore, Oversight will reflect MDA's costs on the fiscal note.

In response to a similar proposal (SB 525), officials from the **Department of Health and Senior Services (DHSS)** assumed the following regarding this proposal:

Section 208.285, RSMo, establishes the Missouri Farmers' Market Nutrition Program under the administration of the Missouri Department of Agriculture. Participants of the Women, Infant and Children supplemental nutrition program administered by the Department of Health and Senior Services (DHSS), Division of Community and Public Health (DCPH), would be eligible to participate in this program.

Section 208.285.5, RSMo, of the proposed legislation would allow MDA to enter into written agreements with other state, local, and nonprofit agencies to maintain the Missouri Farmers' Market Nutrition Program.

DCPH and local agencies must maintain the confidentiality of WIC participants and may only disclose confidential participant information as outlined in 7 CFR 246.26(h). The chief state health officer must designate in writing the permitted non-WIC uses of confidential participant information and to what entity the information is provided. The state or local agency disclosing the information must also enter into written agreements with the entity that will be using the information.

The WIC State Plan must include a list of all organizations the state or local agencies will execute, or intend to execute, written agreements with to disclose this information. DCPH estimates it will take one (1) Public Health Program Specialist (average salary \$44,235) two hours to support this effort, for an annual personal services cost of \$42.54 ( $\$44,235 / 2,080 = \$21.27$  per hour;  $\$21.27 \times 2$  hours). The department anticipates being able to absorb these costs; however, until the FY22 budget is final, the department cannot identify specific funding sources.

DCPH assumes any costs associated with the local agencies entering into agreements and providing services under the Missouri Farmer's Market Nutrition Program will be addressed in local agencies' individual fiscal note responses. Local agency funding to operate the WIC program cannot be used to provide services under the WIC Farmers' Market Nutrition Program, however some activities funded for WIC services, such as nutrition education, can be tailored to meet the requirements of both programs. Any other activities that are not specifically funded for WIC services must use other funding sources, in this case the Missouri Farmers' Market Nutrition Program administration funding.

**Oversight** assumes DHSS will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DHSS has indicated.

Officials from the **Department of Social Services** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for that agency.

Officials from the **Boone County/Columbia Health Department, Kansas City Health Department** and **Newton County Health Department** 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.



In response to a similar proposal from 2021 (HB 652), officials from the **St. Louis County Health Department** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for that agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other county health departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

#### §208.1060 – Farm to Food Bank Project’

In response to a similar proposal (SB 562), officials from the **Department of Social Services (DSS)** assumed the proposal will have no fiscal impact on their organization.

**Oversight** does not have any information to the contrary. In discussions with DSS officials, Oversight learned that DSS currently has a state plan submitted to the United States Department of Agriculture (USDA) under 7 C.F.R. 251.10(j) and has received funding from the USDA “Farm to Food Bank” grants for FY 20 and FY 21. Passage of this legislation would require DSS to continue to participate in the program, pending availability of the program/funds through the USDA.

From a USDA memo provided by DSS, **Oversight** also learned the Federal share of a Farm to Food Bank Project shall not exceed 50 percent of the total cost of the project. Therefore, all Federal funds utilized for Farm to Food Bank Projects must be matched by non-federal funds.

**DSS** officials stated the Southeast Missouri Food Bank (SEMO) is the only food bank implementing the ‘Farm to Food Bank’ grant program for FY 20. SEMO provides the state match for the program through in-kind services and expenses. There is currently no cost to DSS to run this program. Therefore, **Oversight** will reflect a zero impact to the state in the fiscal note.

In response to a similar proposal (SB 562), from the **Department of Economic Development**, the **Department of Social Services** and the **Missouri Department of Agriculture** each assumed 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.

#### §210.251 - Participants in the federal Child and Adult Food Program

In response to a similar proposal (HCS for HB 1337), officials from the **Department of Health and Senior Services** and the **Department of Social Services** each assumed 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.

§253.387 – DNR to acquire the Antioch Cemetery (HA 6)

In response to a similar proposal (HB 395), officials from the **Department of Natural Resources (DNR)** assumed the following regarding this proposal:

Section 253.390.1 does not identify how the property of the Antioch Cemetery located at 2300 Antioch Road, Clinton, Missouri, is to be purchased. Therefore, the impact of acquiring the property is an unknown impact to the Department.

Section 253.390.2 states the Department will make adequate provisions for the proper care, maintenance, and safekeeping of the property to be acquired by the Department of Natural Resources, Division of State Parks. In order for the Division of State Parks to care, maintain and keep the site safe, the Department would need to construct a parking lot and put fencing around the site at an estimated cost of \$64,100. Surveys, both for the site and National Register, would need to be completed, nomination to the National Register of Historic Places (if eligible), ground penetrating radar, additional staffing needs of a Maintenance Worker II to provide oversight of the care of the facility, signage, interpretive panels, and additional expense and equipment costs for maintenance and repair services such as contracted mowing, purchase of chemicals, gravel, roadway maintenance, parking area maintenance and tree maintenance for an estimated total of \$133,248 in FY 2022. The analysis was based on a comparable site within Missouri State Parks for the proper care, maintenance, and safekeeping of the proposed property.

The Department and the Division of States Parks does not have the funds appropriated or otherwise available to acquire by gift, for the acquisition of the Antioch Cemetery located at 2300 Antioch Road, Clinton, Missouri, and is therefore requesting the funding from General Revenue to acquire, provisions for proper care, maintenance, and safekeeping of the proposed property.

**Oversight** will assume the Department of Natural Resources will not be required to purchase the cemetery and will not reflect a cost for acquisition. Also, upon discussion with the sponsor on an identical bill from 2020 and viewing the cemetery's layout, Oversight assumes DNR will not develop a parking lot, and therefore, will not reflect the estimated \$25,000 cost in the fiscal note.

Oversight has reflected the costs indicated by DNR under the General Revenue Fund, as the newly created "Antioch Cemetery Fund" may not have the funding needed for the initial work that needs to be done per DNR.

Oversight will also not reflect an additional .25 FTE in staffing needs. However, Oversight notes there may be additional bills that pass this year that require additional work (partial FTE) by DNR and cumulatively, DNR may need an additional full FTE in future budgets.

Officials from the **Attorney General's Office, Office of the State Treasurer and Office of Administration** 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.

**Oversight** will also reflect a savings to local political subdivisions of roughly \$19,000 annually if DNR either pays for or performs the maintenance and repair services instead of the City of Clinton and/or the cemetery board. **Oversight** notes this proposal authorizes DNR to acquire the property. Oversight assumes DNR may choose not to acquire the property, in which case there will be no fiscal impact. However, Oversight will reflect in the fiscal note the impact of DNR acquiring the cemetery by gift in FY 2022.

§261.450 – Missouri Food Security Task Force

Officials from the **Missouri Department of Agriculture (MDA)** assume the following regarding this proposal:

Section 261.450.4, RSMo, states “The department of agriculture shall provide technical and administrative support as required by the task force to complete its duties.”

Section 261.450.5, RSMo, states “Members of the task force...shall receive reimbursement for actual and necessary expenses incurred in attending meetings of the task force or any subcommittee thereof.”

This proposal assumes that MDA, as part of its administrative support, will provide mileage reimbursement and a meal to all task force members attending the quarterly meetings. Those costs are calculated as follows:

Mileage reimbursement: 125 average miles reimbursed @ \$0.43/mile = \$53.75 X 24 task force members (excludes 3 department directors) = \$1,290 per meeting X 4 quarterly meetings = **\$5,160** total mileage reimbursement.

Lunch (with meeting from 10:00-3:00) = \$15/person X 27 task force members = \$405 X 4 quarterly meetings = **\$1,620**

Total cost = \$6,780 Ag Protection Fund – Wine Tax

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the MDA.

Officials from the **Missouri Senate (SEN)** assume this proposal will have a negative fiscal impact to reimburse four Senators for travel to task force meetings. In summary, it will cost approximately \$386 per meeting.

**Oversight** assumes MDA will cover the costs of mileage for task force members, including the four senators, as indicated in their assumption. Oversight will not reflect a cost for the SEN.

Oversight notes the task force shall be dissolved on January 1, 2023; therefore, Oversight will only reflect six months (2 meetings) of costs in FY 2023.

§347.020 - §358.470 – SOS change in registrations

In response to a similar proposal (SCS for HB 162), officials from the **Office of the Secretary of State (SOS)** assumed General Revenue regarding these particular filings will decrease, for Limited Liability Company (LLC), and decrease for Limited Liability Partnerships in the first five years.

A new filing of Information Statement for LLCs will start in 2024 and affect LLCs every five years thereafter for each new registration resulting in a positive fiscal impact.

State revenue in 10 years would then level back as the fee cut shifts to the information statement required every five years.

These estimates assume various rate(s) of participation and use of an averaging of historical data to determine estimations.

347.044-347.183 (LLC)

| <u>FY</u>                       | <u>GR 0101</u> | <u>TECH 0266</u> |
|---------------------------------|----------------|------------------|
| FY2022                          | (1,083,835.31) | 180              |
| FY2023                          | (996,264.86)   | 216              |
| FY2024                          | (623,329.79)   | \$290,979        |
| AVG Estimated Change in GR 2025 | (381,632.32)   | 501,198.00       |
| AVG Estimated Change in GR 2026 | (651,875.25)   | 279,209.70       |
| AVG Estimated Change in GR 2027 | (694,666.43)   | 244,000.00       |

358.460-358.470 (LLP)

| <u>FY</u> | <u>GR 0101</u> | <u>TECH 0266</u> |
|-----------|----------------|------------------|
| FY2022    | \$ (565.00)    |                  |
| FY2023    | \$ (590.00)    |                  |
| FY2024    | \$ (545.00)    |                  |

Current customer ratio of paper vs online is 25% to 75% for creation filings the change in fees would strive to move that ratio to 5% paper and 95% online. Filing online will have a cost savings as the system is set up to auto process creation documents. While this cost saving is not true for all filings, as manual review by an examiner is required for those documents, there are added benefits to customer submitting online.

It is assumed that 30% of the current LLCs listed as active are actually doing business and will file an information statement as required under 347.044, with an increase rate over time as new LLCs will know before creating that an information statement will be required in five years. The first LLC was created in December of 1993, since that time over 700,000 entities have been created, or converted to the entity type of Limited Liability Company.

Series LLC is a growing area of the LLC entity type. It is unknown how many filings will be effected by the change in cost, as they do not currently have revenue collected for these filings. The best estimate is based on what an examiner thinks they file per month annualized.

The technology trust fund is not impacted until January of 2024 when 347.044 starts.

SOS states the overall impact is estimated at:

| <b>Fund Affected</b>                                 | <b>FY 2022</b>     | <b>FY 2023</b>       | <b>FY 2024</b>     | <b>FY 2025</b>   | <b>FY 2026</b>     | <b>FY 2027</b>     |
|--|--------------------|----------------------|--------------------|------------------|--------------------|--------------------|
| <b>General Revenue</b>                               | (\$903,667)        | (\$996,855)          | (\$623,875)        | (\$381,632)      | (\$651,875)        | (\$694,666)        |
| <b>Technology Trust Fund</b>                         | \$150              | (\$77,384)           | \$290,979          | \$501,198        | \$279,210          | \$244,000          |
| <b>Total Estimated Net Effect on All State Funds</b> | <b>(\$903,517)</b> | <b>(\$1,074,239)</b> | <b>(\$332,896)</b> | <b>\$119,565</b> | <b>(\$372,665)</b> | <b>(\$450,666)</b> |

The Secretary of State reserves the right to offset or request additional resources for estimated fiscal note impacts during the budget process.

Secretary of State’s office is a silo IT department. All changes to software would require working with a third party vendor and/or the Information Technology department. Resulting in an estimated expenditure of \$77,600

SOS vendor has standard rates for determining cost per hour.

|                                |                                   |
|--------------------------------|-----------------------------------|
| Project Manager                | \$ 180.00 x 40 hr.<br>= \$7,200   |
| Technical Architect            | \$ 165.00 x 80 hr.<br>= \$13,200  |
| Senior RegSys Developer        | \$ 150.00                         |
| RegSys Developer               | \$ 130.00 x 160<br>hr. = \$20,800 |
| Business Analyst               | \$ 145.00 x 160<br>hr. = \$23,200 |
| Database Administrator         | \$ 150.00                         |
| Quality Assurance (QA) Analyst | \$ 110.00 x 120<br>hr. = \$13,200 |
| <b>TOTAL</b>                   | <b>\$77,600</b>                   |

\*An estimation was done on the hours required for this changed based on past PAQs

**Oversight** will reflect the estimated fiscal impact as provided by SOS

Officials from the **Office of the State Courts Administrator**, the **Office of the State Treasurer** and the **Attorney General’s Office** 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.

§362.034 – Sharing information with banking institutions’ supervisory agencies (HA5)

Officials from the **Department of Revenue** and the **Department of Health and Senior Services** state Section 362.034 allows any entity that operates as a facility licensed or certified under Article XIV, Section 1 of the Constitution of Missouri to request in writing that a state or local licensing authority or agency share the entity’s application, license, or other regulatory and financial information with a banking institution. The state or local licensing authority or agency shall include in the written request a waiver giving authorization for the transfer of the individualized data, information, or records and waiving any confidentiality or privilege that applies to that individualized data, information, or records.

The requirements of this section fall within the existing duties of the Division of Regulation and Licensure, Section for Medical Marijuana Regulation. The department anticipates being able to absorb any cost; however, until the FY22 budget is final the department cannot identify specific funding sources.

§431.201 - §431.202 Covenants involving business entities

In response to a similar proposal (SB 181), officials from the **Department of Labor and Industrial Relations**, **Missouri Department of Conservation**, **Office of the State Courts**

**Administrator, Attorney General's Office, and Office of Administration** each assumed this proposal will have no fiscal impact on their respective agencies.

In response to a similar proposal (SB 181), officials from the **City of Ballwin, City of Corder, City of Kansas, City of Springfield, and City of Saint Louis – Budget Division** each assume this proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal (SB 181), officials from the **Northwest Missouri State University, State Technical College of Missouri, University of Missouri, and Missouri State University** each assume this proposal will have no fiscal impact on their respective organizations.

**Oversight** notes the above mention agencies, universities, and local political organization 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts, counties, cities, colleges, and universities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

| <u>FISCAL IMPACT –<br/>State Government</u>                               | FY 2022<br>(10 Mo.)    | FY 2023                | FY 2024                | Fully<br>Implemented<br>(FY 2025) |
|---|------------------------|------------------------|------------------------|-----------------------------------|
| <b>GENERAL<br/>REVENUE</b>  |                        |                        |                        |                                   |
|   | Up to...               | Up to...               | Up to...               | Up to...                          |
| Costs – DSS<br>EBT Implementation<br>§208.018 –                           | (\$150,000)            | \$0                    | \$0                    | \$0                               |
| EBT Maintenance<br>Annual   | (\$58,500)             | (\$78,000)             | (\$78,000)             | (\$78,000)                        |
| EBT Benefits  | (\$4,956,120)          | (\$6,608,160)          | (\$6,608,160)          | (\$6,608,160)                     |
| Total Costs DSS<br>p. 4-6   | Up to<br>(\$5,164,620) | Up to<br>(\$6,686,160) | Up to<br>(\$6,686,160) | Up to<br>(\$6,686,160)            |
| <u>Cost - MDA - to<br/>administer program<br/>§208.285</u>                |                        |                        |                        |                                   |
| Personal Services   | (\$40,029)             | (\$48,515)             | (\$49,000)             | (\$49,000)                        |
| Fringe Benefits   | (\$26,135)             | (\$31,521)             | (\$31,682)             | (\$31,682)                        |
| Expense and<br>Equipment  | (\$3,983)              | (\$1,555)              | (\$1,577)              | (\$1,577)                         |
| Total Costs – MDA   | (\$70,147)             | (\$81,591)             | (\$82,259)             | (\$82,259)                        |
| FTE Change – MDA  | 1 FTE                  | 1 FTE                  | 1 FTE                  | 1 FTE                             |
| <u>Cost - MDA -<br/>Outreach/Printing<br/>§208.285 p. 6-9</u>             | (\$8,333)              | (\$10,000)             | (\$10,000)             | (\$10,000)                        |
| <u>Cost - MDA – Training<br/>§208.285 p. 6-9</u>                          | (\$4,167)              | (\$5,000)              | (\$5,000)              | (\$5,000)                         |
| <u>Transfer Out - MDA to<br/>WIC agencies in pilot<br/>areas §208.285</u> | (\$18,621)             | (\$22,345)             | (\$22,345)             | (\$22,345)                        |
| <u>Cost - DNR -<br/>maintenance equipment<br/>(mower, trailer,</u>        | (\$19,500)             | (\$19,988)             | (\$20,487)             | (\$20,487)                        |



|   |                                   |                                   |                                   |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| weedeater, blower, etc.)<br>§253.387 p. 10-11   |                                   |                                   |                                   |                                   |
| <u>Cost - DNR – fencing</u><br>§253.387<br>p. 10-11   | (\$39,100)                        | \$0                               | \$0                               | \$0                               |
| <u>Cost - DNR – survey</u> §253.387<br>p. 10-11   | (\$2,530)                         | \$0                               | \$0                               | \$0                               |
| <u>Cost - DNR - sign age</u><br>§253.387<br>p. 10-11  | (\$4,400)                         | \$0                               | \$0                               | \$0                               |
| <u>Cost - DNR - historic survey and radar</u><br>§253.387 p. 10-11                                  | (\$30,000)                        | \$0                               | \$0                               | \$0                               |
| <u>Loss – SOS - fee revenue change for LLC s&amp; LLPs</u> p12-14                                   | (\$1,084,400)                     | (\$996,855)                       | (\$623,875)                       | (\$381,632)                       |
| <b>ESTIMATED NET EFFECT TO GENERAL REVENUE</b>  | <b><u>Up to (\$6,437,485)</u></b> | <b><u>Up to (\$7,811,939)</u></b> | <b><u>Up to (\$7,440,126)</u></b> | <b><u>Up to (\$7,197,883)</u></b> |
| <b>ANTIOCH CEMETARY FUND</b>  |                                   |                                   |                                   |                                   |
| <u>Revenue – gifts, bequests, donations, collections and/or appropriations</u><br>§253.387 p. 10-11 | Unknown                           | Unknown                           | Unknown                           | Unknown                           |
| <u>Cost – maintenance of the cemetery</u> §253.387<br>p. 10-11                                      | (Unknown)                         | (Unknown)                         | (Unknown)                         | (Unknown)                         |

|   |                  |                   |                  |                  |
|---|------------------|-------------------|------------------|------------------|
| <b>ESTIMATED NET EFFECT ON THE ANTIOCH CEMETARY FUND</b>                          | <u>\$0</u>       | <u>\$0</u>        | <u>\$0</u>       | <u>\$0</u>       |
|   |                  |                   |                  |                  |
|   |                  |                   |                  |                  |
|   |                  |                   |                  |                  |
| <b>AGRICULTURE PROTECTION FUND</b>  |                  |                   |                  |                  |
| <u>Cost</u> – MDA – reimburse mileage/meals for task force members §261.450 p. 12 | <u>(\$6,780)</u> | <u>(\$3,390)</u>  | <u>\$0</u>       | <u>\$0</u>       |
|   |                  |                   |                  |                  |
| <b>ESTIMATED NET EFFECT ON THE AGRICULTURE PROTECTION FUND</b>                    | <u>(\$6,780)</u> | <u>(\$3,390)</u>  | <u>\$0</u>       | <u>\$0</u>       |
|   |                  |                   |                  |                  |
|   |                  |                   |                  |                  |
|   |                  |                   |                  |                  |
|   |                  |                   |                  |                  |
| <b>TECHNOLOGY TRUST FUND</b>  |                  |                   |                  |                  |
| <u>Loss-SOS-filing fees p. 12-14</u>  | <u>\$180</u>     | <u>\$216</u>      | <u>\$290,979</u> | <u>\$501,198</u> |
| <u>Cost - SOS to implement changes p. 13</u>                                      | <u>\$0</u>       | <u>(\$77,600)</u> | <u>\$0</u>       | <u>\$0</u>       |
|   |                  |                   |                  |                  |
| <b>ESTIMATED NET EFFECT TO THE TECHNOLOGY TRUST FUND</b>                          | <u>\$180</u>     | <u>(\$77,384)</u> | <u>\$290,979</u> | <u>\$501,198</u> |

|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  |                   |                   |                   |                   |
|  |                   |                   |                   |                   |
|  |                   |                   |                   |                   |
| <b>FEDERAL FARMER'S MARKET NUTRITION PROGRAM FUNDS</b>                             |                   |                   |                   |                   |
| (All §208.285)<br>p. 6-9   |                   |                   |                   |                   |
|  |                   |                   |                   |                   |
| <u>Income</u> - Grant award  | \$235,070         | \$235,070         | \$235,070         | \$235,070         |
|  |                   |                   |                   |                   |
| <u>Cost</u> - MDA - Solutran   | (\$20,000)        | (\$20,000)        | (\$20,000)        | (\$20,000)        |
|  |                   |                   |                   |                   |
| <u>Transfer Out</u> - MDA to WIC agencies in pilot areas                           | (\$19,962)        | (\$19,962)        | (\$19,962)        | (\$19,962)        |
|  |                   |                   |                   |                   |
| <u>Transfer Out</u> - MDA to WIC agencies for food vouchers                        | (\$195,108)       | (\$195,108)       | (\$195,108)       | (\$195,108)       |
|  |                   |                   |                   |                   |
| <b>ESTIMATED NET EFFECT ON THE FEDERAL FARMER'S MARKET NUTRITION PROGRAM FUNDS</b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

| <u>FISCAL</u><br><u>IMPACT –</u><br><u>Local</u><br><u>Government</u>                       | FY 2022<br>(10 Mo.)    | FY 2023                | FY 2024                | Fully<br>Implemented<br>(FY 2025) |
|---|------------------------|------------------------|------------------------|-----------------------------------|
| <b>LOCAL WIC<br/>AGENCIES<br/>(all §208.285)</b>  |                        |                        |                        |                                   |
| <u>Transfer In -</u><br>from MDA<br>general revenue<br>funds for<br>administrative<br>costs | \$18,621               | \$22,345               | \$22,345               | \$22,345                          |
| <u>Transfer In -</u><br>from MDA<br>federal funds for<br>administrative<br>costs            | \$19,962               | \$19,962               | \$19,962               | \$19,962                          |
| <u>Transfer In -</u><br>from MDA<br>federal funds for<br>food vouchers                      | \$195,108              | \$195,108              | \$195,108              | \$195,108                         |
| <u>Cost - food</u><br>vouchers for<br>program<br>participants                               | <u>(\$195,108)</u>     | <u>(\$195,108)</u>     | <u>(\$195,108)</u>     | <u>(\$195,108)</u>                |
| <b>ESTIMATED<br/>NET EFFECT<br/>ON LOCAL<br/>WIC<br/>AGENCIES</b>                           | <b><u>\$38,583</u></b> | <b><u>\$42,307</u></b> | <b><u>\$42,307</u></b> | <b><u>\$42,307</u></b>            |
|   |                        |                        |                        |                                   |
|   |                        |                        |                        |                                   |

FISCAL IMPACT – Small Business

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

### FISCAL DESCRIPTION

The proposed legislation modifies provisions related to nonprofit organizations.

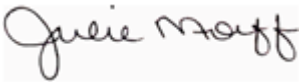
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

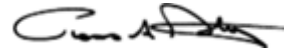
Office of Administration  
Department of Health and Senior Services  
Department of Elementary and Secondary Education  
Department of Corrections  
Department of Mental Health  
Department of Social Services  
Office of the State Public Defender  
Missouri Department of Transportation  
Missouri State Employee's Retirement System  
Office of the Attorney General  
Department of Higher Education and Workforce Development  
Administrative Hearing Commission  
Department of Revenue  
Department of Public Safety  
Department of Agriculture  
Missouri Ethics Commission  
MoDOT & Patrol Employees Retirement System  
Missouri Lottery Commission  
Missouri Consolidated Health Care Plan  
Office of the State Courts Administrator  
Missouri State Tax Commission  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
Department of Commerce and Insurance  
Department of Natural Resources  
Missouri Office of Prosecution Services  
University of Missouri  
Department of Economic Development  
Department of Labor and Industrial Relations  
Missouri Department of Conservation  
Office of the Secretary of State  
Claycomo  
Corder

L.R. No. 1579S.05S  
Bill No. CCS for HCS for SS for SB 333  
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May 14, 2021

Springfield



Julie Morff  
Director  
May 14, 2021



Ross Strobe  
Assistant Director  
May 14, 2021