

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3810H.08C
Bill No.: HCS for SS for SCS for SB 835
Subject: Banks and Financial Institutions; Business and Commerce; Economic
Development
Type: Original
Date: April 26, 2024

Bill Summary: This proposal modifies standards around certain financial transactions.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------------------------------|--|--|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| General Revenue* | (Could exceed \$45,047) | (Could substantially exceed \$59,297) | (Could substantially exceed \$60,483) |
| Total Estimated Net Effect on General Revenue | (Could exceed \$45,047) | (Could substantially exceed \$59,297) | (Could substantially exceed \$60,483) |

*Oversight does not have enough information to estimate a loss to the state regarding changes to §143.121 (deduction of capital gains from sale of gold and/or silver from MAGI as well as subtraction of 100% of any amount of gain in interest derived from municipal bonds or any other debt obligation from sources in another state); however estimates from the Department of Revenue and the Office of Administration - Budget note this loss is unknown but significant. Oversight assumes this loss could exceed the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|-----------------------------|-----------------------------|-----------------------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| Division of Finance Fund (0550) | (Unknown) to Unknown | (Unknown) to Unknown | (Unknown) to Unknown |
| Total Estimated Net Effect on Other State Funds | (Unknown) to Unknown | (Unknown) to Unknown | (Unknown) to Unknown |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| 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 2025 | FY 2026 | FY 2027 |
| Local Government | Unknown to (Unknown) | Unknown to (Unknown) | Unknown to (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

§30.266 – State Treasury keeping specie.

In response to a similar proposal from this year (HCS/HB Nos. 1955 & 2257), officials from the **Office of the State Treasurer (STO)** stated Section 30.266 of the proposal would allow that the State Treasurer “may keep” [in the state treasury] an amount of specie greater than or equal to one percent of all state fund. In general, “may” ordinarily implies discretion and this proposal gives the state treasurer discretion whether or not to keep specie in the state treasury. Absent an exercise of the Treasurer’s discretion, Section 30.266 has **no fiscal impact** to the State Treasurer’s Office. In the event a Treasurer exercises this discretion in the future, storing, protecting, assaying, and transporting specie would have a potential fiscal impact for the STO.

In response to a similar proposal from this year (HCS/HB Nos. 1955 & 2257), officials from the **Office of Administration - Budget and Planning (B&P)** stated this section would allow the STO to hold up to 1% of total invested fund in gold or silver bullion beginning January 1, 2025. B&P defers to the STO for the potential impact of this provision.

Officials from the **Department of Revenue (DOR)** assumed this will not fiscally impact DOR.

Oversight notes this section allows (may keep) the Office of the State Treasurer to keep in custody an amount of gold and silver greater than or equal to one percent (1%) of all state funds. Oversight notes as this is permissive, we will not reflect a fiscal impact for this section.

However, according to reports from the Office of the State Treasurer, the balance of all state funds in the treasury totaled \$18.0 billion at December 31, 2023. Also, the STO’s December 2023 Portfolio Management summary noted a par value of investments of \$18.2 billion and an effective rate of return for the month in December as 3.19%. Therefore, Oversight assumes if the STO were to keep in custody 1% of state funds in gold and silver, this would equate to roughly \$182 million ($\$18,200,000,000 \times 1\%$) taken out of usual investments and used to purchase/hold gold and silver. Oversight notes interest income of \$5.8 million ($\$182,000,000 \times 3.19\%$). Oversight is unsure of the breakout of interest being credited to General Revenue versus other state funds; therefore, for simplicity, Oversight will assume interest proceeds from the General Revenue Fund (balance of \$4.263 billion at December 31, 2023) is be credited back to that fund, and all other interest will be credited to their original state funds, which Oversight will lump into “other state funds”.

| | |
|--|--|
| General Revenue Fund | $\$4.263 \text{ billion} \times 1\% \times 3.19\% = \$1,360,000$ |
| All others (reflected as “Other State Funds”) ($\$18.2\text{B} - \4.263B) | $\times 1\% \times 3.19\% = \underline{\$4,440,000}$ |
| TOTAL | \$5,800,000 |

Officials from the **Department of Commerce and Insurance (DCI)** assume the costs of this bill can be absorbed within the DCI's current appropriations. However, should the cost be more than anticipated, the department would request an increase to DCI's FTE and/or appropriations as appropriate through the budget process.

§30.267 Task Force on Gold and Silver

In response to a similar proposal from this year (HCS/HB Nos. 1955& 2257), officials from **B&P** state this provision would create a task force to determine whether the state could issue gold and silver coins and whether the state could accept gold and silver coins for payments. The task force would begin July 1, 2025, with a final report due by June 30, 2026.

Officials from **DOR** state this creates a task force to study the practicality of issuing gold and silver coinage as specie. The task force is made up of various members including the Director of Revenue. The task force is to have a report done by December 31, 2025. This will not fiscally impact DOR.

Officials from the **Missouri State Senate (SEN)** anticipate a negative fiscal impact to reimburse 2 Senators for travel to Task Force On Gold And Silver committee meetings. In summary, it will cost approximately \$335 per meeting. The SEN assumes no fiscal responsibility for the other committee members.

Oversight assumes the new task force will not create a material fiscal impact to the state.

Officials from the **Department of Commerce and Insurance (DCI)** assume the costs of this bill can be absorbed within the DCI's current appropriations. However, should the cost be more than anticipated, the department would request an increase to DCI's FTE and/or appropriations as appropriate through the budget process.

§§34.700 - 432.275 – Digital Currency

In response to a similar proposal from this year (SB 826), officials from the **Office of Administration - Budget and Planning (B&P)** assumed Section 34.700 would prohibit all public entities in Missouri from testing or accepting "central bank digital currency" (CBDC) as a form of payment. Section 400.1-201 excludes "central bank digital currency" from the definition of money.

B&P notes that CBDC is a digital currency that is a liability of the Federal Reserve. Currently, the United States has physical currency (i.e. cash) and electronic money (i.e. bank accounts / payment apps / online transactions). Electronic money is a liability of the commercial bank that holds the corresponding cash deposit. Whereas a CBDC would be a liability of the Federal Reserve and there is no corresponding cash deposit.

B&P further notes that the U.S. Federal Reserve, and many other federal reserves across the

world, are looking in to creating CBDCs for various reasons. However, this is no currently active CBDC.

Therefore, this provision will not currently impact public entities or state and local revenues. However, if a CBDC is developed in the future, the prohibitions contained within this provision could limit payment options for citizens in the future.

Officials from the **Department of Revenue (DOR)** state that their agency receives, processes and deposits the majority of all state revenue. DOR receives sales tax, individual income tax, corporate tax and various taxes and fees collected by state agencies that is then brought to DOR for deposit.

DOR currently accepts the following types of payments which are considered physical currency:

Coins created by the U.S. Mint including pennies, nickels, dimes and quarters.

- Dollar Bills printed by the Bureau of Engraving and Printing
- Personal/ Business Checks
- Money Orders
- Cashier's Check
- Debit Cards
- Credit Cards
- Bank Transfers via electronic means

This proposal creates Section 34.700 which would prohibit any public entity from accepting payments using "central bank digital currency". The Department of Revenue and all other state agencies would be subject to this prohibition as a public entity.

This proposal also adds the definition of "central bank digital currency" saying it includes a digital currency, a digital medium of exchange or a digital monetary unit of account issued by the United States Federal Reserve System.

Currently, the United States is using physical currency as its monetary system. It is a system that allows people to hold money in a physical form (such as dollar bills in your hand). A digital currency is a form of currency that would only exist in a digital or electronic form (such as cryptocurrency or bitcoin). It cannot be converted into a physical form.

The Federal Reserve is collecting comments on the possibility of creating a central bank digital currency system. One does **not** exist at this time. Under this proposal, should the Federal Reserve be allowed to create a central bank digital currency, the State of Missouri, its agencies (including DOR), and all its political subdivisions would be prohibited from accepting that currency as payment of any debt.

For informational purposes, in FY 2023, the State brought in \$13,234,562,879 in general revenue, \$1,204,232,139 in the School District Trust Fund, \$159,908,628 in the Conservation

Commission Fund and \$127,826,635 for the DNR sales tax funds. At this time, since the digital currency does not exist, DOR assumes this will not have a fiscal impact to DOR, or state revenue.

Should digital currency be allowed to be used in the future, this could hamper the state's ability to collect what is owed or inconvenience the taxpayers by limiting their payment options.

Oversight assumes the potential problematic payment options for citizens and potential problematic collection method for the state is speculative, therefore, Oversight will reflect a zero impact in the fiscal note.

In response to a similar proposal from this year (SB 826), officials from the **University of Missouri** assumed there will be some fiscal impact to the University but is unable to determine what the fiscal impact would be.

Officials from the **Department of Corrections (DOC)** assume this legislation appears to limit the DOC's ability to score bidders based on their composite materials and institutional security, and could increase the possibility for litigation against the department if a bidder does not agree with the scoring process.

Missouri Vocational Enterprises uses some raw materials containing various levels of recycled content for some product lines. Since the recycled content may vary from one product supplier to another, this could potentially create a negative impact if the evaluation was considered "preferential treatment based on an environmental, social, and governance score."

It is unknown if, and when, a business would disagree with the procurement process. Therefore, this legislation could cause an unknown cost to the department.

Oversight assumes the potential negative impact as estimated by DOC is speculative and will not reflect the cost in the fiscal note.

§67.2800 – 67.2840 - PACE assessment changes

Oversight assumes the House Committee Substitute for House Bill 2756 adds section 67.2810 which deals with clean energy development boards. This section states a clean energy development board shall be a political subdivision of the state and modifies the powers of such boards. Oversight will reflect a \$0 to Unknown cost to local political subdivisions for these possible expanded powers of the board.

§108.371 – Municipal Green Bonds

In response to a similar proposal from this year (HCS/HB 1725), officials from the **Office of Administration - Budget and Planning (B&P)** assumed this proposal would allow municipalities to issue bonds for certain "green" projects. This proposal would also exempt all interest and income earned from the green bonds from Missouri income tax. B&P notes that per Section 143.121.2(2) the interest from municipal bonds are already exempt from Missouri

income tax. Therefore, if this proposal leads to the issuance of additional municipal bonds than what would have otherwise been issued under general obligation bonds, then this proposal could result in an unknown reduction to GR. Therefore, B&P estimates that this proposal may reduce TSR and GR by \$0 to (Unknown).

This proposal clarifies that any realized capital gains shall remain taxable.

B&P further notes that per subsection 4, if a review of a municipal bond determines that less than 85% of the revenues were used on a qualifying green project, the bonds would lose their tax-exempt status under this proposal. However, as noted above Section 143.121.2(2) already exempts municipal bonds from Missouri income taxes. Therefore, B&P assumes that even if the bonds lose their “green” status, the interest would remain exempt from taxation under Section 143.121.

Officials from the **Department of Revenue (DOR)** assumed this proposal would allow for the issuance of municipal green bonds to support certain environmentally friendly activities. The interest on or income from such bonds would be exempt from Missouri income tax (Section 108.371.3) although apparently not exempt from some or all of Missouri’s financial institution taxes.

This proposal refers to the municipal green bonds as being rated, certified, validated or reviewed but it is unclear who is to do this rating. If DOR is expected to do this, it is outside DOR’s area of expertise, and DOR would need to hire additional FTE to handle this. The FTE needed is unknown at this time.

This provision is being placed in the statutes regarding general obligation bonds. However, it is not clear if this will be a new type of general obligation bond. If this proposal allows municipalities to issue these green bonds in lieu of their general obligation bond, then no additional impact may be expected.

However, if this proposal encourages the creation of additional bonds, and these bonds are exempt from income tax, then this could result in an Unknown negative impact on general revenue. This proposal could result in a \$0 to Unknown negative impact to general revenue.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the B&P and DOR.

Oversight has requested additional information from Kansas City regarding their response. Oversight received a limited number of responses from cities and counties related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed.

§143.121 Capital Gains and MAGI

§143.121.3 (14) Capital Gains and MAGI

In response to a similar proposal from this year (HCS/HB 1725), officials from the **Office of Administration - Budget and Planning (B&P)** stated this section would allow Missouri taxpayers to subtract any capital gains from the sale or exchange of gold and/or silver from the taxpayer's Missouri Adjusted Gross Income (MAGI), if such capital gains were included in the taxpayer's Federal Adjusted Gross Income (FAGI), beginning with tax year 2025.

B&P is unable to determine how the amount of capital gains claimed by Missouri taxpayers. However, the total amount of capital gains claimed during tax year 2021, the most recent complete year available, was \$10,933,232,729. If even 1% of the capital gains resulted from the sale or exchange of gold and/or silver, B&P estimates that the loss to GR would have been \$5,247,952 ($\$10,933,232,729 \times 1\% \times 4.8\%$). Therefore, B&P estimates that this provision may have an unknown, but significant, loss to TSR and GR beginning with FY26 (for tax year 2025 capital gains).

Officials from the **DOR** state this part of the proposal requires that a taxpayer be allowed to subtract the amount of capital gain they receive from the sale or exchange of specie from their Federal Adjusted Gross Income (FAGI) when calculating their Missouri Adjusted Gross Income (MAGI) thus lowering their taxable income. Specie is defined per this proposal as coins issued by the federal government.

Taxpayers report the sources of the capital gain on their federal tax returns and only their FAGI number is reported on the Missouri tax return. Therefore, DOR is unable to determine how much capital gain is reported from the sale or exchange of specie in Missouri.

The Internal Revenue Service SOI data for 2020 (the most complete year) shows that total capital gains reported on the returns for the State of Missouri equaled \$10,621,746,000. If just 1% of these capital gains was a result of specie this could result in a loss to general revenue of \$5,098,438 ($\$10,621,746,000 * 1\% * 4.8\%$ tax rate).

This will require an additional line be added to the MO-A form, information would need to be added to their website and this would need to be added to the individual income tax computer system. These costs are estimated at \$8,923.

§143.121.11 – Taxability of Gain on Interest of Municipal Bonds:

In response to a similar proposal from this year (HCS/HB Nos. 1955 & 2257), officials from the **B&P** stated beginning with tax year 2025, this provision would allow for a subtraction of municipal bond interest from a taxpayer's federal adjusted gross income (FAGI). Such subtraction will only be allowed if the state where the bonds were issued does not subject their residents to a tax on the interest paid on bonds issued by a Missouri municipality.

B&P notes that most municipal bonds are tax exempt at the federal level. However, municipal bonds not used for a “public good” are taxable at the federal level. B&P further notes that the majority of such taxable bonds are used to fund shortfalls in state or local pension funds. Income from these bonds is included in a taxpayer’s FAGI.

Interest earned on bonds issues by a municipality outside of Missouri is subject to Missouri income tax. Section 143.121.2(2) requires taxpayers to add such income to their FAGI in order to determine their Missouri adjusted gross income (MAGI). This proposal would then allow taxpayers to subtract off that addition if the originating state does not tax the interest on municipal bonds issued in Missouri. B&P notes that interest earned on bonds issued in states that continue to tax Missouri municipal bond interest would remain taxable under this proposal.

This proposal would still require taxpayers to add qualifying interest income to their FAGI under Section 143.121.2(2) and then they would turn around and subtraction the same income from their FAGI under this Section 143.121.11.

The following table shows when the interest on bonds is and would be taxable:

| Bond Location | Tax MO Bonds | Bond use | Federally Taxable | Current | | Proposed | |
|---------------|--------------|----------|-------------------|------------|---------------------------------|------------|----------------------------------|
| | | | | MO Taxable | Statute | MO Taxable | Change |
| Missouri | N/A | Public | No | No | N/A | No | N/A |
| Missouri | N/A | Private | Yes | Yes | IRC Section 103(b) | No | N/A |
| Other | No | Public | No | Yes | Addition - Section 143.121.2(2) | No | Subtraction - Section 143.121.11 |
| Other | Yes | Public | No | Yes | Addition - Section 143.121.2(2) | Yes | N/A |
| Other | No | Private | Yes | Yes | IRC Section 103(b) | No | Subtraction - Section 143.121.11 |
| Other | Yes | Private | Yes | Yes | IRC Section 103(b) | Yes | N/A |

B&P notes that this proposal would grant a subtraction for both federally exempt and federally taxable bonds, if issued in a state that does not tax MO bond interest. However, the interest earned on federally taxable bonds issued within Missouri would continue to be subject to Missouri income tax.

B&P is unable to determine the amount of interest that would no longer be taxable under this provision. Therefore, this provision may reduce TSR and GR by an unknown, could be significant, amount beginning FY26 (for tax year 2025).

Officials from the **Department of Revenue** stated this proposal requires that a taxpayer be allowed to subtract 100% of any gain in interest derived from municipal bonds from their Federal Adjusted Gross Income (FAGI) when calculating their Missouri Adjusted Gross Income (MAGI) thus lowering their taxable income. This proposal only allows this subtraction under certain circumstances.

A municipal bond is a debt security used to fund capital expenditures for counties, cities or the state. A municipal bond is commonly tax free at the federal level if they are used to finance projects for the public benefit. Since they are tax free at the federal level, they would not be in a taxpayer's FAGI and therefore, this will not have a fiscal impact.

However, if a municipal bond is used to benefit private industry, then the municipal bonds are taxable at the federal level. DOR assumes that this proposal is attempting to make the interest on taxable municipal bonds tax exempt in Missouri.

Taxpayers report the sources of the interest on their federal tax returns and only their FAGI number is reported on the Missouri tax return. Therefore, DOR is unable to determine how much actual interest from taxable municipal bonds is earned in Missouri.

Additionally, this would only allow this subtraction if Missouri met certain conditions. Those conditions include having a reciprocal agreement with other states or those states having no tax on income. At this time, it is unclear if this provision would be enacted per these conditions.

This could result in a \$0 to Unknown over \$250,000 impact to the state. This will require them modify the MO-1040 and their computer systems at a cost of \$8,923.

§170.281 - Personal Finance Course

Officials from the **Department of Elementary and Secondary Education (DESE)** assumed they would be required to convene a workgroup to develop and recommend the performance standards as outlined in the legislation. While standards were reviewed and approved by the State Board previously, DESE assumes these standards would need reviewed to ensure they meet these guidelines. DESE would convene the workgroup consisting of educators providing instruction in personal finance, a representative from the Missouri Association of Career and Technical Education, and representatives from the DESE, banking industry, entrepreneurs, and nonprofit organizations that focus on educating young professionals and entrepreneurs. DESE assumes this workgroup would hold two meetings with a total cost of \$20,824.

Oversight will show a one-time cost in FY 2025 to convene a work group to develop academic performance standards relating to a personal finance curriculum.

Oversight notes per DESE website: <https://dese.mo.gov/college-career-readiness/curriculum/missouri-learning-standards>: "In 2016 the State Board of Education authorized the organization of a workgroup to evaluate, and possibly make recommendations to modify or revise Personal Finance learning standards. These standards have not changed since

2006 when the State Board of Education revised graduation requirements for Missouri’s students to include one-half credit of Personal Finance. The new standards were approved during the September 2017 State Board meeting for implementation during the 2019-2020 school year.”

Oversight assumes this proposal requires each student after the ninth grade to complete a one-half unit of credit of personal finance before receiving a high school diploma. Oversight assumes since this is a current requirement of Missouri Learning standards that was implemented in the 2019-2020 school year, there will be no additional costs to school districts.

Oversight did not receive any response from school districts 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.

Repeal of Sections 361.700- 361.727 and enactment of Sections 361.900– 361.1035 – Money Transmitter

Officials from the **Department of Commerce and Insurance (DCI) – Division of Finance (DOF)** assume the following:

DOF assumes these sections authorize the director of the Division of Finance to administer, interpret, and enforce Sections 361.800-361.840. It provides rulemaking authority for DOF and addresses confidentiality of information submitted by licensees and applicants. It further permits the commissioner to enforce sections and regulations pertaining to money transmitters, and outlines required submissions by applicants for a money transmitter license.

Revenue Estimate

Money transmitter companies are currently licensed under Sections 361.700-361.727. If passed these sections would be repealed and replaced by Sections 361.900-361.1035. For the purposes of this estimate, DOF assumes all of the 171 entities currently licensed under 361.700-361.727 would convert their license to that which is authorized by Sections 361.900-361.1035.

Section 361.921

This section allows DOF to charge each money transmitter licensed under these sections for costs associated with their annual examinations. DOF assumes the commissioner will set licensure and renewal fees at a level to sustain the program without charging for licensee examinations.

Section 361.936

An Initial Application Fee and a License Fee set by the commissioner is required with the submission of an application for license. The fee would be set based on the cost to sustain operation of the licensure program. Licenses would be effective on the date of issuance by DOF and would expire on December 31 of each year. Annual renewal fees would be set by the commissioner based on the total operating expenses of the program.

Section 361.951

A fee set by the commissioner is required to accompany a request to acquire control of a licensee along with an application for acquisition. DOF estimates that 10%, or 9 such transactions would take place each year. The fee would be set at an amount sufficient to sustain operation of the program based on estimated operating costs.

Section 361.1026

This section authorizes the director to assess civil penalties for violations of 361.900-361.1035.

Revenue Loss

Since all of those currently licensed under Sections 361.700-361.727 are assumed to transition to these new licenses, DOF expects a loss of revenue from renewals under 361.700-361.727. The fee for renewals is \$400 annually, resulting in a revenue loss of an estimated \$68,400.

Expense Estimate

Section 361.921.1(1)

DOF assumes this section authorizes examinations of licensees which would be conducted by a Senior Consumer Credit Examiner. Regular examinations would take place biennially, with half of the licensees examined each year. This would require an estimated 86 examinations be performed each year. It is estimated that a Senior Consumer Credit Examiner would spend an average of forty hours to complete an examination. Completed examinations would be submitted to the central office of the Division for compilation and formatting by an Administrative Office Support Assistant (AOSA). Examinations would be reviewed and approved by the Supervisor of Consumer Credit, estimated to take three hours for each examination.

Based on the average salaries of \$53.15 for a Senior Consumer Credit Examiner; \$19.91 per hour for an AOSA; and \$64.46 for the Supervisor of Consumer Credit. The personal service cost for each examination is estimated at \$2,339. Travel expenses are estimated at \$500 - \$2,500 per examination depending on the location of the licensee. For this estimate, the median of \$1,500 per exam was used.

Applications submitted pursuant to Section 361.936 would be reviewed by a Senior Consumer Credit Examiner, requiring an estimated 8 hours each; the Supervisor of Consumer Credit would spend an average of 1 hour reviewing recommendations of the Senior Consumer Credit Examiner regarding licensure approval or denial. It would take an average of 1 hour for the AOSA to process the approval or denial of each application.

Renewal of licenses for money transmitters would be completed on an annual basis, beginning January 1 after of the date of original issuance. Because the number of money transmitters has been fairly stable, it is estimated that ten would opt not to renew their licenses in FYs 2026 and 2027, but would be replaced by new licensees. Renewal requests would be reviewed by a Senior Consumer Credit Examiner, taking an average of 6 hours each. Review of the recommendation

for approval or denial would be handled by the Supervisor of Consumer Credit taking approximately one hour. The AOSA would then process the renewal license or denial at one hour per license.

Those entities seeking to acquire control of a money transmitter license are required to submit an application for acquisition. DOF assumes approximately 10% of licenses would have an acquisition application filed each year. For these 9 applications, an average of eight hours would be required for review by a Senior Consumer Credit Examiner, one hour of review of the recommendation of approval or denial by the Supervisor of Consumer Credit, and one hour to process the approval or denial of the acquisition.

Sections 361.957 – 361.963

DOF assumes these sections require money transmitters to submit several reports to the Division including financial statements, reports of condition, and special events that affect the licensee. DOF estimates it would take a Senior Consumer Credit Examiner six hours to review each report and the Supervisor of Consumer Credit an average of one hour each to address any concerns identified by the Examiner.

Fringe Benefits are estimated at the standard rate. Supplies and expenses for employees assigned to this program are estimated at \$11,261 per FTE annually. Because the majority of Consumer Credit examination staff are telecommuters, rent and janitorial expenses would only be necessary for the AOSA and Supervisor positions.

DOF administrative support services, including general administration, training, human resources, accounting, budget, legal, and information technology services are covered in a 15% administrative overhead rate. This includes promulgation of rules and development of forms and websites to support these sections.

Cost Savings

Since those currently licensed under Sections 361.700-361.727 would transition to these new licenses, DOF expects that 171 renewals will not be processed, saving an estimated \$68,400.

DOF assumes that this workload would be picked up by existing staff since repealed Sections 361.700-361.727 would eliminate some existing workload.

Because the commissioner determines the fees associated with licensures and renewals under 361.900-361.1035, DOF assumes the fees would be set at a level sufficient to sustain the operations of the program. Therefore, the net effect on the Division of Finance Fund (0550) would be \$0.

Listed below is a summary revenue and expenses expected by DCI-DOF as a result of this proposal.

| | FY 2025 | FY 2026 | FY 2027 |
|----------------------------------|----------------|----------------|----------------|
| Revenue – Money Transmitter Fees | \$680,533 | \$694,144 | \$708,028 |
| Cost Avoidance | \$68,400 | \$68,400 | \$68,400 |
| FTE Expense | (\$680,533) | (\$694,144) | (\$708,028) |
| Licensing Fees Loss | (\$68,400) | (\$68,400) | (\$68,400) |
| Total | \$0 | \$0 | \$0 |

Oversight notes the cost related to the FTE expense provided by DOF is for existing staff and not additional FTE. Oversight assumes DOF will have some additional expense related to the proposal, however, Oversight also assumes DOF will set the associated fees of the newly created license sufficient enough to sustain the program without any additional cost or loss to the department. Oversight will reflect an unknown revenue and an unknown cost to the Division of Finance Fund (0550), roughly netting to zero.

DOF assumes all of the 171 entities currently licensed under 361.700-361.727 would convert their license to that which is authorized

Oversight assumes Therefore, Oversight will reflect the fiscal estimate to the Division of Finance Fund (0550) as a net revenue of Unknown.

Officials from the **Department of Corrections (DOC)** assume this proposal creates new provisions relating to money transmission.

Section 361.981 requires an authorized delegate who holds money in trust for the benefit of a licensee to remit certain amounts of money. Depending on the amount, the failure to remit this money could result in a class A misdemeanor or a class E felony.

Section 361.1023 creates two new class E felonies, one for intentional misrepresentation and one for knowingly engaging in certain activities without a license, and one new class A misdemeanor.

As misdemeanors fall outside the purview of the Department of Corrections, DOC will not be analyzing their projected impact. Thus, as it relates to DOC, the intent of the bill is to create three new class E felony offenses.

For each new nonviolent class E felony, the department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The combined cumulative estimated impact on the department is 6 additional offenders in prison and 21 additional offenders on field supervision by FY 2027.

Change in prison admissions and probation openings with legislation

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | FY2031 | FY2032 | FY2033 | FY2034 |
|---|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| New Admissions | | | | | | | | | | |
| Current Law | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| After Legislation | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Probation | | | | | | | | | | |
| Current Law | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| After Legislation | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Change (After Legislation - Current Law) | | | | | | | | | | |
| Admissions | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Probations | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Cumulative Populations | | | | | | | | | | |
| Prison | 3 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Parole | 0 | 0 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Probation | 6 | 12 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Impact | | | | | | | | | | |
| Prison Population | 3 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Field Population | 6 | 12 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Population Change | 9 | 18 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |

* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department’s institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is \$26.545 per day or an annual cost of \$9,689 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department’s institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is \$99.90 per day or an annual cost of \$36,464 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC’s cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

A summary of DOC cost is provided in the table below:

| | # to prison | Cost per year | Total Costs for prison | # to probation & parole | Cost per year | Total cost for probation and parole | Grand Total - Prison and Probation (includes 2% inflation) |
|---------|----------------|------------------|----------------------------------|-------------------------------|------------------|--|--|
| Year 1 | 3 | (\$9,499) | (\$24,223) | 0 | absorbed | \$0 | (\$24,223) |
| Year 2 | 6 | (\$9,499) | (\$59,297) | 0 | absorbed | \$0 | (\$59,297) |
| Year 3 | 6 | (\$9,499) | (\$60,483) | 0 | absorbed | \$0 | (\$60,483) |
| Year 4 | 6 | (\$9,499) | (\$61,692) | 0 | absorbed | \$0 | (\$61,692) |
| Year 5 | 6 | (\$9,499) | (\$62,926) | 0 | absorbed | \$0 | (\$62,926) |
| Year 6 | 6 | (\$9,499) | (\$64,185) | 0 | absorbed | \$0 | (\$64,185) |
| Year 7 | 6 | (\$9,499) | (\$65,468) | 0 | absorbed | \$0 | (\$65,468) |
| Year 8 | 6 | (\$9,499) | (\$66,778) | 0 | absorbed | \$0 | (\$66,778) |
| Year 9 | 6 | (\$9,499) | (\$68,113) | 0 | absorbed | \$0 | (\$68,113) |
| Year 10 | 6 | (\$9,499) | (\$69,476) | 0 | absorbed | \$0 | (\$69,476) |

Oversight does not have any information to the contrary. Therefore, Oversight will reflect estimate provided by DOC to the General Revenue Fund for FY 2025, FY 2026 and FY 2027.

In response to a similar proposal from this year (SB 737), officials from the **Office of the State Courts Administrator (OSCA)** assumed there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

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

In response to a similar proposal from this year (HB 1478), officials from the **Office of Budget & Planning** stated this proposal creates new class E felonies and class A misdemeanors. To the extent that any related fines are deposited into the state treasury, this proposal could increase total state revenue by an unknown amount.

DOF has previously assumed that all of the entities currently licensed would convert their license to that which is authorized under the new sections. Because the commissioner determines the fees associated with licensures and renewals under this legislation, DOF has previously assumed the fees would be set at a level sufficient to sustain the operations of the program and furthermore assumed the net effect on the fund balance would be \$0. B&P notes that TSR may be impacted if fees and revenues are set at a level where the net impact on the fund is not \$0.

In response to a similar proposal from this year (HB 1478), officials from the **Missouri Sheriffs' Retirement System** stated that this legislation may have a negative impact if this legislation passes. The Retirement System hires investment managers to invest its assets based on the investment policy. Setting constraints on investment guidelines has a potential of limiting

investment earnings used to finance the retirement system. At the time the negative impact is unknown.

Oversight assumes because the potential of limiting investment earnings is speculative that the Missouri Sheriffs' Retirement System will not incur significant cost related to this proposal. Therefore, Oversight will reflect a zero impact in the fiscal note.

§§362.1010 - 362.1117- Missouri Family Trust Company Act

Officials from the **Department of Commerce and Insurance (DCI)** assumed this bill transfers oversight of Family Trusts and Foreign Family Trusts from the Missouri Secretary of State's Office to the DCI's Division of Finance (DOF).

Sections 362.1010-362.1117 assign oversight of Family Trust and Foreign Family Trusts to the Director or Designee of DOF. This would include registration of new trusts and annual renewal of existing trusts. According to the Secretary of State, there are currently three active Trusts in Missouri. Since those trusts will not be required to submit an initial application, DOF assumes that only an annual registration report accompanied by a \$1,000 filing fee would be collected from each of these trusts, resulting in an income of \$3,000 annually. This funding would be used to provide oversight of Family and Foreign Family Trusts in Missouri. DOF does not anticipate any new trusts filings. The net fiscal impact for this section would be \$0.

The Director of DOF or Designee may perform examinations and investigate allegations of violations of these sections and may charge the trust company for salary and expenses of the examiner or investigator. Since the amount charged would be limited to actual expenses, this section's fiscal impact would net to \$0.

The Director may impose penalties and late fees and suspend registrations of a trust for failure to submit a timely registration report. Reinstatement of a trust would occur by submission of the annual registration report, a late fee, and any penalty imposed by the Director. DOF does not anticipate any reports will be submitted late, resulting in fiscal impact for this section as \$0.

The Director shall issue a fee schedule based on the time and resources required to issue certified copies of documents as prescribed in Section 362.110. The section's fiscal impact would net to \$0.

All fees and penalties would be deposited to the Family Trust Company Fund (0810) and expenses relating to oversight of these companies would be paid from this fund via a transfer to the Division of Finance Fund (0550). Therefore, DOF assumes the net impact of this proposal is \$0.

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

Oversight assumes the Office of the Secretary of State could have a potential minor savings from the transfer of oversight to Department of Commerce and Insurance but would also experience a loss from the transfer of 3 trust. Oversight assumes the fiscal impact would ultimately net to \$0 or be immaterial and therefore will not reflect a fiscal impact on the fiscal note.

§408.010 – Constitutional Money Act

In response to a similar proposal from this year (HCS/HB Nos. 1955 & 2257), officials from the **B&P** states Section 408.010 would allow gold and silver coinage to be legal tender in Missouri. B&P notes that certain gold and silver coins are already considered legal tender under Federal law. However, federal law prohibits the use of privately created gold and/or silver coins from being used as currency.

This section requires all state agencies to accept gold and silver as payment for debts and all costs incurred during value verification shall be paid by the state.

This section further prevents all state and local government bodies and courts from seizing any gold and silver held by a person, except as provided under the Criminal Activity Forfeiture Act. B&P notes that this would allow individuals and businesses to store or move assets into gold and/or silver to avoid having assets seized. This would allow taxpayers to move their assets to gold and/or silver coins to avoid paying back taxes to the state. Therefore, this provision may have a negative unknown impact to TSR, GR, as well as other state and local funds.

Subsection 5 indicates that gold and silver purchased after January 1, 2026, and held for less than one year, would still be subject to income tax gain/loss provisions. However, Section 143.121.2(14) exempts capital gains from gold and silver sales from Missouri income tax. Therefore, it appears that this provision would still allow taxpayers to claim any losses due to the sale of gold or silver, but they would not have to claim any gains.

Officials from the **Department of Revenue** state currently, Missouri is allowed to accept as payment of any debt silver coins issued by the Unites States that are legal tender. This proposal adds the definition of bullion, legal tender, and specie to the statutes.

This proposal in 408.010.4 prevents all state and local governmental bodies from seizing any specie legal tender that is owned by a person. If a taxpayer owes DOR back taxes, they will have the opportunity to move all their income to specie legal tender and prohibit DOR from being able to collect the back taxes owed. DOR is unable to determine how much this will impede their collection efforts. This impact is expected to be unknown.

This proposal in section 408.010.5 prevents the state from imposing any additional tax, fee or penalty on transactions involving the use of gold or silver as legal tender that is more than the fee used for other currency. Currently, DOR does not assess a fee on a person using cash or checks to pay their outstanding debt. However, credit and debit card payments are subject to a fee as a third-party vendor handles those payments for the Department. This provision would allow

DOR to assess a similar fee as to the current charges. No additional fiscal impact is expected as a result of this provision.

This proposal in Section 408.010.4(3 & 4) would allow taxpayers to pay using specie legal tender. Per this proposal specie legal tender includes any coin issued by the Federal government, and any other specie. DOR assumes no impact from the acceptance of federal government coins as they are already accepted by DOR. However, the acceptance of “any other specie”, may be problematic. As long as the “specie” is printed by the federal government then it would be considered legal tender and would not have a fiscal impact. However, if “specie” includes coins that people make themselves, other governments issue, businesses issue or even the state of Missouri issues then, DOR notes that would violate federal law. Accepting any coinage that is in violation of 18 U.S. § 486 would be accepting something not considered legal tender per this federal statute; which would result in felony charges being brought by the Federal Government.

This provision is attempting to change what is to be accepted as legal tender in Missouri and shall be allowed for the payment of all public debts. This proposal defines legal tender as a medium of exchange authorized by the United States and the state of Missouri. Specie in this section is defined as bullion fabricated into coins that are used for currency. Specie legal tender could include any coins issued by the U.S. Mint or Federal Government. It should be noted that Missouri and DOR already accept coins issued by the U.S. Mint.

However, should this proposal allow bullion fabricated into coins created by taxpayers or other governments or businesses and not exclusively the U.S. Mint then this will result in a violation of federal law. DOR is unable to determine the impact of acceptance of items in violation of federal law.

The impact of these changes is unknown but could result in significant impact to DOR.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state if this bill is interpreted to allow the Division of Employment Security (DES), Division of Workers' Compensation (DWC) and Division of Labor Standards (DLS) to accept Gold/Silver coinage in the repayment of debt, this could cause an unknown impact to DES, DWC and DLS. The DES, DWC and DLS would incur the cost of the verification of the weight and purity of the Gold/Silver. At this time, DOLIR does not have a way to estimate the cost.

Officials from the **Department of Mental Health (DMH)** state they are unable to determine when and how often the department would receive payment in the form of gold or silver coins. Accepting payment in this form would create a substantial burden on DMH due to calculating value, determining purity and authenticity, and cost of depositing or selling. The fiscal impact from this additional administrative work is unknown.

While coins minted by the US Treasury are legal tender, it is not widely used in financial transactions. The proposal states the state shall accept gold and silver coinage, but does not specify that coinage must be minted by the US Treasury. Gold and silver coins created outside

the US Treasury are not excluded. U.S. Const., Art. 1, §10, cl. 1 allows states to recognize gold and silver coinage as tender; however, the limits of this provision are largely untested in federal courts.

In response to a similar proposals from this year officials from the **Office of the State Treasurer** stated section 408.010.2 proposes that “specie legal tender and electronic currency [as defined under the proposal] shall be accepted as legal tender for payment of all public debts” and 408.010.3 requires that “[t]he state of Missouri shall accept specie legal tender and electronic currency as payment for any debt, tax, fee, or obligation owed. Costs incurred in the course of verification of the weight and purity of any specie legal tender or electronic currency during any such transaction shall be borne by the receiving entity.” This requirement has **no fiscal impact** for the STO, but would likely have an impact on all agencies receiving payments for any debt, tax, fee or obligation owed as the agencies would necessarily store, protect, assay, and transport specie.

Oversight will reflect a potential cost to all state agencies as well as local political subdivisions or \$0 or an unknown amount for the administrative burden of accepting, valuing, storing and depositing gold and silver payments.

Officials from **Kansas City** assume the proposed legislation has a negative fiscal impact of an indeterminate amount.

Officials from the **Department of Commerce and Insurance (DCI)** assume the costs of this bill can be absorbed within the DCI’s current appropriations. However, should the cost be more than anticipated, the department would request an increase to DCI’s FTE and/or appropriations as appropriate through the budget process.

Section 427.300 - Commercial Financing Disclosures

Officials from the **Department of Commerce and Insurance - Division of Finance (DOF)** stated there are very few companies that provide the types of commercial financing products described in this section, though DOF does not have an exact number. When California passed something similar, they had two companies, DOF assumes Missouri will have less than five. The initial registration would be set at \$100 each, so up to \$500 total revenue in the first year. If all of the companies renewed annually, at \$50 each, subsequent years' revenue would be \$250. The registration process is not work intensive and would cost about \$36.53 to process (½ hour for an AOSA @\$19.91/hour + ½ hour for an Examiner @ \$53.15/hour = \$36.53). For five registrations, each year would cost \$182.61. Since there is no review or enforcement authority granted in the language, that is the extent of the fiscal impact.

Revenue FY 25 - \$0-\$500 FY 26 - \$0-\$250 FY 27 - \$0-250
Expense FY 25 - (\$183-\$0) FY 26 - (\$186-\$0) FY 27 (\$190-\$0)
Net Effect FY 25 - \$0-\$317 FY 26 - \$0-\$64 FY 27 \$0-\$60

Oversight assumes this proposal will result in a non-material amount of registration revenue and administrative expense, therefore, Oversight will reflect a zero impact in the fiscal note for DOF.

Oversight also notes §427.300.6 requires that any person who violates this section shall be punished by a fine of \$500 per incident, not to exceed \$20,000 for all aggregated violations. Any person who violates this section after receiving written notice of prior violation from the AGO shall be punished by a fine of \$1,000 per incident, not to exceed \$50,000 for all aggregated violations. Oversight will assume any potential fine revenue generated from this subsection will be distributed to local school districts instead of being credited to the state's Merchandising Practices Revolving Fund. For simplicity, Oversight will reflect a \$0 or Unknown amount of fine revenue received by school districts. Oversight notes these amount may act as a deduction in the following year school funding formula; however, Oversight will simply reflect a possible positive impact to schools from the fine revenue.

Bill as a whole:

Officials from the **Department of Economic Development**, the **Department of Higher Education and Workforce Development**, the **Department of Natural Resources**, the **Department of Public Safety - Missouri Highway Patrol**, the **State Emergency Management Agency**, **Division of Alcohol and Tobacco Control**, **Directors Office**, **Fire Safety**, **Missouri Gaming Commission**, **Missouri Veterans Commission**, the **Department of Social Services**, the **Missouri National Guard**, the **Office of the State Public Defender**, the **Office of the State Auditor**, the **Missouri House of Representatives**, the **Oversight Division**, the **Legislative Research**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Transportation**, the **Missouri Office of Prosecution Services**, the **Missouri Department of Agriculture**, the and the **State Tax Commission** 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.

Officials from the **Department of Health and Senior Services** defer to the Office of Administration and the Department of Revenue for the potential fiscal impact of this proposal.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 its 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.

| <u>FISCAL IMPACT – State Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|---------------------------------------|---|---|
| GENERAL REVENUE | | | |
| <u>Cost</u> – DOC - Incarceration Cost §§361.900-631.1035 p. 16 | (\$24,223) | (\$59,297) | (\$60,483) |
| <u>Costs</u> - DESE - to convene a work group - §170.281 p. 10 | (\$20,824) | \$0 | \$0 |
| <u>Loss</u> – DOR §143.121.3 (14) – capital gains on the exchange of gold and silver now a deduction for MAGI calculation | \$0 | (Unknown – potentially significant) | (Unknown – potentially significant) |
| <u>Loss</u> – DOR §143.121.11 – subtraction of interest on municipal bonds | \$0 | (Unknown) | (Unknown) |
| <u>Loss</u> – B&P/DOR – of revenues from interest and income earned on green bonds being exempt from MO income taxes §108.371 | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| <u>Loss</u> – DOR §408.010.5 – removal of gold and silver as seizable assets | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| ESTIMATED NET EFFECT TO GENERAL REVENUE | <u>(Could exceed \$45,047)</u> | <u>(Could substantially exceed \$59,297)</u> | <u>(Could substantially exceed \$60,483)</u> |
| | | | |
| | | | |
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| | | | |

| <u>FISCAL IMPACT – State Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|--|--|--|
| DIVISION OF FINANCE FUND (0550) | | | |
| <u>Revenue</u> – DOF - Application, Licensing & Acquisitions from Money Trans. Modernization Act of 2024 | Unknown | Unknown | Unknown |
| <u>Cost</u> – DOF - FTE additional workload and additional costs implementing the Money Transmission Modernization Act of 2024 | (Unknown) | (Unknown) | (Unknown) |
| <u>Savings</u> – DOF repeal of Sections 361.700-361.727 – administrative costs | \$68,400 | \$68,400 | \$68,400 |
| <u>Loss</u> – DOF of licensing fees from repeal of Sections 361.700-361.727 | (\$68,400) | (\$68,400) | (\$68,400) |
| ESTIMATED NET EFFECT TO THE DIVISION OF FINANCE FUND | (Unknown) to <u>Unknown</u> | (Unknown) to <u>Unknown</u> | (Unknown) to <u>Unknown</u> |

| <u>FISCAL IMPACT – Local Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|--|--|--|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Cost</u> – Municipalities §67.2810 PACE changes | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| <u>Costs</u> – Local governments - §408.010.5 – removal of gold and silver as seizable | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Potential Fine Revenue</u> – to school districts – §427.300.6 | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> | <u>\$0 or Unknown</u> |
| ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS | <u>Unknown to (Unknown)</u> | <u>Unknown to (Unknown)</u> | <u>Unknown to (Unknown)</u> |

FISCAL IMPACT – Small Business

Certain small business lenders and banks could be impacted by this proposal.

A direct fiscal impact to private trust companies could be expected as a result of this proposal.
(§362.245)

A direct fiscal impact to small businesses that act as a money transmitter would be expected as a result of this proposal.

Certain small insurance companies could be impacted by this proposal.

FISCAL DESCRIPTION

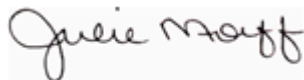
This proposal modifies provisions relating to financial transactions.

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

Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
 Office of the Director
 Division of Alcohol and Tobacco Control
 Fire Safety
 Missouri Gaming Commission
 Missouri Highway Patrol
 Missouri National Guard
 State Emergency Management Agency
 Missouri Veterans Commission
Department of Social Services
Office of the Governor
Joint Committee on Public Employee Retirement
Joint Committee on Administrative Rules

Legislative Research
Oversight Division
Missouri Consolidated Health Care Plan
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri House of Representatives
Office of the Lieutenant Governor
Missouri Department of Transportation
Missouri Office of Prosecution Services
Office of Administration
 Budget and Planning
Facilities Management, Design and Construction
Office of the State Courts Administrator
Missouri Senate
Office of the Secretary of State
Office of the State Public Defender
Office of the State Treasurer
State Tax Commission
Kansas City
O'Fallon



Julie Morff
Director
April 26, 2024



Ross Strobe
Assistant Director
April 26, 2024