

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1147-04  
Bill No.: SCS for HB 599  
Subject: Banks and Financial Institutions; Office of the Secretary of State; Business and Commerce  
Type: Original  
Date: April 29, 2019

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Bill Summary: This proposal modifies provisions relating to the regulation of certain financial entities.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue Fund	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §143.441 Air Freight Forwarders (Enactment 8/28/2019)

In response to a similar proposal from this year (SB 46), officials the **Budget and Planning (B&P)** assumed this section adds freight forwarders to the definition of corporations. B&P defers to DOR for an estimated impact on Total State Revenue and General Revenue.

Officials at the **Department of Revenue (DOR)** state they are unable to estimate a fiscal impact on this section due to the small number of transporters involved and requirement for taxpayer privacy.

Without additional information, **Oversight** will show an Unknown impact to the General Revenue Fund for this section starting in FY 2020.

#### Bill as a whole:

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Revenue**, the **Department of Public Safety - Missouri Highway Patrol**, the **Attorney General's Office** and the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations.

**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 for these agencies.

Officials from the **University of Missouri - Economic & Policy Analysis Research Center** have stated that their organization does not foresee this proposal having a direct fiscal impact on General Revenue.

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

ASSUMPTION (continued)

be in excess of what the office can sustain with the core budget.

Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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

FISCAL IMPACT - State Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
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**GENERAL REVENUE FUND**

Revenue Reduction - DOR §143.441 Air Freight Forwarders defined	(Unknown)	(Unknown)	(Unknown)
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<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>
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FISCAL IMPACT - Local Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
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	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill updates Chapter 361, RSMo, (Division of Finance), Chapter 362 (Banks and Trust Companies), Chapter 369 (Savings and Loan Associations), and Chapter 370 (Credit Unions) by removing requirements that certain applications and documents be in physical paper format with multiple copies. The bill also removes a requirement that the Director of Finance print a physical copy of a report at the state's expense and removes the requirement that certain information be included in the report.

#### FISCAL DESCRIPTION (continued)

This proposal also adds qualified air freight forwarders to the definition of corporations.

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 Insurance, Financial Institutions and Professional Registration  
Department of Revenue  
Office of the Secretary of State  
Economic & Policy Analysis Research Center  
Attorney General's Office  
Department of Public Safety - Missouri Highway Patrol  
Office of the State Courts Administrator  
Department of Transportation  
Budget and Planning



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