

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2111-02  
Bill No.: HB 1006  
Subject: Office of Administration; Federal - State Relations  
Type: Original  
Date: April 1, 2019

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Bill Summary: This proposal prohibits public bodies from entering into certain contracts.

**FISCAL SUMMARY**

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND         |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|
| FUND AFFECTED  | FY 2020                 | FY 2021                 | FY 2022                 |
| General Revenue Fund                                 | \$0 to (Unknown)        | \$0 to (Unknown)        | \$0 to (Unknown)        |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0 to (Unknown)</b> | <b>\$0 to (Unknown)</b> | <b>\$0 to (Unknown)</b> |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS                     |            |            |            |
|---|------------|------------|------------|
| 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 6 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |            |            |            |
|---|------------|------------|------------|
| 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> |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |          |          |          |
|---|----------|----------|----------|
| 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.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|
| FUND AFFECTED                              | FY 2020                 | FY 2021                 | FY 2022                 |
| <b>Local Government</b>                    | <b>\$0 to (Unknown)</b> | <b>\$0 to (Unknown)</b> | <b>\$0 to (Unknown)</b> |

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration (Facilities Management Design and Construction and Division of Purchasing)** assume the proposal will have no fiscal impact on their organization.

**Oversight** assumes that state and local governments could contract with a company that is currently engaged in a boycott of the State of Israel or territories under its control (or fails to comply with the provisions of this act). Oversight assumes that state and local governments would then need to contract with a different company which could potentially be of higher value. Therefore, Oversight will range the fiscal impact from \$0 to (Unknown) to state and local governments.

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 be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Attorney General's Office (AGO)** assume any potential cost arising from this proposal can be absorbed with existing resources. AGO may seek additional appropriations if the proposal results in a significant increase in cases.

FISCAL DESCRIPTION (continued)

**Oversight** notes that the AGO has that any potential cost arising from this proposal can be absorbed. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

Officials from the **Department of Natural Resources** and the **Missouri Department of Conservation** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from this year (SB 308), officials from the **Kansas City, Monroe County Assessor** and the **St. Francois County Assessor's Office** assumed the proposal will have no fiscal impact on their organizations.

**Oversight** notes that the above mentioned agencies have each 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 **Department of Transportation** defer to the Office of Administration - Budget and Planning to estimate the fiscal impact of the proposed legislation on their organization.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

| FISCAL IMPACT - State Government                            | FY 2020<br>(10 Mo.)         | FY 2021                     | FY 2022                     |
|---|-----------------------------|-----------------------------|-----------------------------|
| <b>GENERAL REVENUE FUND</b>                                 |                             |                             |                             |
| Cost - Potentially higher value contract cost               | \$0 or<br>(Unknown)         | \$0 or<br>(Unknown)         | \$0 or<br>(Unknown)         |
| <b>ESTIMATED NET EFFECT TO THE<br/>GENERAL REVENUE FUND</b> | <b>\$0 or<br/>(Unknown)</b> | <b>\$0 or<br/>(Unknown)</b> | <b>\$0 or<br/>(Unknown)</b> |

| <u>FISCAL IMPACT - Local Government</u>                         | FY 2020<br>(10 Mo.)         | FY 2021                     | FY 2022                     |
|---|-----------------------------|-----------------------------|-----------------------------|
| <b>LOCAL POLITICAL SUBDIVISIONS</b>                             |                             |                             |                             |
| <u>Cost</u> - Potentially higher value contract cost            | \$0 or<br>(Unknown)         | \$0 or<br>(Unknown)         | \$0 or<br>(Unknown)         |
| <b>ESTIMATED NET EFFECT TO<br/>LOCAL POLITICAL SUBDIVISIONS</b> | <b>\$0 or<br/>(Unknown)</b> | <b>\$0 or<br/>(Unknown)</b> | <b>\$0 or<br/>(Unknown)</b> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill prevents any public entity from entering into a contract with a company, except a sole proprietorship, that is boycotting Israel. This section shall be known as the "Anti-Discrimination Against Israel Act."

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 Transportation  
Missouri Department of Conservation  
Department of Natural Resources  
Attorney General's Office  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Kansas City  
Monroe County Assessor  
St. Francois County Assessor's Office



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April 1, 2019

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April 1, 2019