

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0838H.011
 Bill No.: HB 51
 Subject: Banks and Financial Institutions; Department of Commerce and Insurance;
 Business and Commerce; Firearms
 Type: Original
 Date: January 22, 2025

Bill Summary: This proposal establishes standards in regard to the tracking of gun purchases by financial institutions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	Could exceed (\$196,070)	Could exceed (\$203,042)	Could exceed (\$206,471)
Total Estimated Net Effect on General Revenue	Could exceed (\$196,070)	Could exceed (\$203,042)	Could exceed (\$206,471)

*Oversight assumes the combined cost for 2 additional FTE for the AGO and unknown court costs could potentially exceed the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

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 2026	FY 2027	FY 2028
Local Government*	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

*Fine revenue is distributed to school districts if the court imposes a civil penalty in a sum not to exceed \$10,000 per violation.

FISCAL ANALYSIS

ASSUMPTION

Section 407.439 - Establishes standards for tracking gun purchases by financial institutions

Officials from the **Attorney General's Office (AGO)** assume the proposal will increase caseloads. The AGO requires the need for two FTE. One legal secretary at \$45,000 annually and one AAG I at \$75,000 annually.

Oversight notes the proposal states the AGO will have the authority to investigate alleged violations and issue written notices. Therefore, Oversight will reflect the estimated cost by the AGO in the fiscal note.

Officials from the **Office of the State Courts Administrator (OSCA)** assume the proposal may have some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Department of Commerce and Insurance** 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.

Oversight notes that violations of §407.439 could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Costs - AGO §407.439 p. 3</u>			
Personnel Service	(\$100,000)	(\$122,400)	(\$124,848)
Fringe Benefits	(\$66,400)	(\$80,642)	(\$81,623)
Expense & Equipment	(\$29,670)	\$0	\$0
Total Costs – AGO	(\$196,070)	(\$203,042)	(\$206,471)
FTE Change – AGO	2 FTE	2 FTE	2 FTE
<u>Costs – OSCA §407.439 – increased court costs</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND*	Could exceed <u>(\$196,070)</u>	Could exceed <u>(\$203,042)</u>	Could exceed <u>(\$206,471)</u>
Estimated Net FTE Change to the General Revenue Fund	2 FTE	2 FTE	2 FTE

*Oversight assumes the combined cost for 2 additional FTE for the AGO and unknown court costs could potentially exceed the \$250,000 threshold.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue – School districts (§407.439) Potential fine revenue p. 3</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>	\$0 to <u>Unknown</u>

FISCAL IMPACT – Small Business

Oversight assumes small businesses and customers who transacted at a firearms retailer physically located in Missouri whose business was the subject of an alleged violation could be negatively impacted as a result of this proposal.

FISCAL DESCRIPTION

This bill prohibits a governmental entity or any other person from keeping a record of privately owned firearms or firearm owners, except for records kept during criminal investigations and prosecutions, or otherwise required by law.

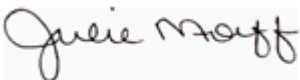
The bill also prohibits a financial institution from using a "firearms code", as defined in the bill, in a way that distinguishes a firearms retailer located in Missouri from a general merchandise or sporting goods retailer. The bill also prohibits financial institutions from discriminating against firearms retailers as described in the bill.

The Attorney General will have the authority to investigate alleged violations and issue written notices. If the prohibited conduct does not cease, the courts will have the authority to issue injunctions and impose civil penalties not to exceed \$10,000 per violation, as well as court costs and attorney's fees.

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

SOURCES OF INFORMATION

Attorney General's Office
Office of the State Courts Administrator
Department of Commerce and Insurance



Julie Morff
Director
January 22, 2025



Jessica Harris
Assistant Director
January 22, 2025