

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0985H.01I  
Bill No.: HB 210  
Subject: Transportation; Homeland Security; Interstate Cooperation; Cities, Towns, and Villages; Department of Public Safety; Department of Transportation  
Type: Original  
Date: March 3, 2025

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Bill Summary: This proposal establishes the Unmanned Aerial Systems Security Act of 2025.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
General Revenue*	\$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>

\*Based on department responses, Oversight assumes potential reimbursement costs will be less than \$250,000.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Various State Funds*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
College and University**	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\*Oversight assumes fine revenue will not exceed \$250,000 per fiscal year.

\*\*Oversight assumes unknown costs to replace unmanned aircraft could exceed \$250,000 annually.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<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 \$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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government**/**</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\*Oversight assumes fine revenue will not exceed \$250,000 per fiscal year.

\*\*Oversight assumes increase in costs incurred by local governments could exceed \$250,000 annually.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Department of Transportation, Office of Administration - Administrative Hearing Commission, 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 – Alcohol and Tobacco Control, Department of Public Safety – Capitol Police, Department of Public Safety – Fire Safety, Department of Public Safety – Director’s Office, Department of Public Safety – Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission, State Emergency Management Agency, Department of Social Services, Office of the Governor, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Ethics Commission, Missouri National Guard, MoDOT & Patrol Employees’ Retirement System, Office of Administration, Petroleum Storage Tank Insurance Fund, Office of the State Public Defender, Missouri Lottery, Missouri Consolidated Health Care Plan, Missouri State Employee's Retirement System and 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 **Office of Administration - Budget and Planning** assume Section 542.566 states any department currently using a drone that does not meet the minimum requirements for that drone's usage tier, outlined in Section 542.556, may request a reimbursement up to the cost of acquiring a drone that meets the minimum requirements for that drone's usage tier from the state treasurer. While this reimbursement is conditioned on a designated appropriation being passed into law, this may result in increased costs to the state of an unknown amount.

**Oversight** assumes there could be potential reimbursements for drones that do not currently meet the requirements of this proposal; subject to appropriation. Therefore, Oversight will reflect a fiscal impact of \$0 (no agencies request reimbursement and/or appropriations are not given) to an “Unknown” fiscal impact (agencies request reimbursement and appropriations are given). Oversight assumes potential reimbursements will not exceed \$250,000.

**Oversight** is uncertain which department would administer the classification of drones or the allowable exemptions from the requirements.

**Oversight** also notes the proposal includes penalties for violations of §542.568 (class B misdemeanor). A portion of the fine goes to local schools as fine revenue and the remaining goes to various state and local funds for court costs. Oversight will reflect a potential impact to the state and local political subdivisions of “\$0 or Unknown” in additional fine revenue and court

cost revenue per year from this charge. Oversight assumes the increase in revenue will not exceed \$250,000.

Additional fine revenue received by local school districts may count as a deduction in the following year in determining their state aid apportionment, if the district is not a 'hold harmless' district. For simplicity, Oversight will only reflect the increase in fine revenue as a positive impact to local political subdivisions.

Below are examples of some of the state and local funds to which court costs are distributed.

Fee/Fund Name	Fee Amount
Basic Civil Legal Services Fund	\$8.00
Clerk Fee	\$15.00 (\$12 State/\$3 County)
County Fee	\$25.00
State Court Automation Fund	\$7.00
Crime Victims' Compensation Fund	\$7.50
DNA Profiling Analysis Fund	\$15.00
Peace Officer Standards and Training (POST) Fund	\$1.00
Sheriff's Retirement Fund	\$3.00
Motorcycle Safety Trust Fund	\$1.00
Brain Injury Fund	\$2.00
Independent Living Center Fund	\$1.00
Sheriff's Fee	\$10.00 (County)
Prosecuting Attorney and Circuit Attorney Training Fund	\$4.00
Prosecuting Attorney Training Fund	\$1.00 (\$0.50 State/\$0.50 County)
Spinal Cord Injury Fund	\$2.00

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

**Oversight** assumes AGO is provided with core funding to handle a certain amount of activity each year. Oversight assumes AGO could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, AGO could request funding through the appropriation process. Officials from the AGO assume the proposal will have no fiscal impact on their organization.

Officials from the **Office of the State Treasurer (STO)** assume Section 542.566 states, “Subject to appropriation, any department ...may request a reimbursement ...from the state treasurer.”

The State Treasurer does not have a mechanism in place, nor the personnel to administer such a reimbursement. This would require an NDI to request funds for the reimbursements, along with a new fund & appropriation to issue the reimbursements from. Additionally, this will require at least 1 FTE to review and process the requests.

**Oversight** assumes any reimbursements to departments to replace existing drones will be minimal; therefore, Oversight will not reflect the FTE costs as indicated by STO. Oversight assumes STO is provided with core funding to handle a certain amount of activity each year. Oversight assumes STO could absorb the costs related to this proposal.

Officials from the **University of Missouri (UM)** assume the bill creates the potential for fiscal costs by establishing a new source of potential liability, but it is not possible to estimate the amount of such costs with any certainty.

**Oversight** assumes any costs to UM are indirect; therefore, Oversight will not reflect a fiscal impact to UM.

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

Officials from the **Office of the State Courts Administrator (OSCA)** assume 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** 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.

In response to a similar proposal, HB 751 (2025), officials from **Southeast Missouri State University (SEMO)** stated there is a potential negative impact of an undetermined amount, likely to exceed \$250,000. This impact is based on the assumptions that the number of students enrolled in SEMO's Bachelor of Science in Unmanned Aircraft Systems and Minor in Unmanned Aircraft Systems may decline and the estimated cost to replace SEMO's current fleet of unmanned aircraft systems that it may no longer be able to support.

Officials from the **University of Central Missouri (UCM)** state this proposal will have an indeterminate fiscal impact on UCM.

**Oversight** has no information to the contrary. Oversight will present a \$0 to (Unknown) cost to College and University funds for replacing unmanned aircraft that no longer comply with the provisions of the legislation. Oversight assumes the universities will replace the drones and there will be no impact on the number of students enrolled in the programs offered by the institutions. Oversight assumes the unknown impact could exceed \$250,000 annually.

In response to a similar proposal, HB 751 (2025), officials from the **Metropolitan St. Louis Sewer District (MSD)** stated this bill will impact MSD to the extent MSD can't find unmanned aircraft (drones) that comply with this legislation and must contract with private companies at higher costs to provide services that are currently done in-house.

MSD has purchased three drones manufactured by DJI, a Chinese company, to date. MSD uses these drones to get photos and videos of its assets for publication, educational content, and condition inspection. It is estimated these drones will save MSD between \$250,000 - \$500,000. One example is when \$15,000 was saved by not hiring someone to do a confined space entry to the subterranean Bates Pump Station to inspect it. It was possible to do it with a drone instead. Of the three drones already purchased, one is no longer in service. It is difficult to say how many additional drones will be needed, but as the existing drones are broken or lost they will need to be replaced.

In response to a similar proposal, HB 751 (2025), officials from the **City of O'Fallon (City)** stated, based on research conducted by the O'Fallon Police Department (PD), it appears that small American drones are \$15,000-\$17,000 each and the larger foreign drone is \$24,000. The PD has a total of 13 drones. If the City replaced all of the drones with only American made, the total cost for the police department would exceed **\$200,000**.

According to the City's Public Relations Division, anything USA made is going to be significantly over-engineered for the City's purposes. This would require the City to use the Parrot ANAFI USA at \$7,000 each. The Parrot ANAFI USA comes with a controller that requires another device, such as an iPad Mini (\$500) to operate, so the total cost would be **\$7,500**.

The City's Engineering Department states that the DJI mini 4 Pro with combo Plus purchased in 2024 cost approximately \$1,300. The American made replacement would cost around **\$1,600**.

In total, the provisions of this proposal would cost the City of O'Fallon approximately \$209,100 (\$200,000 + \$7,500 + \$1,600) to replace the drones currently in use.

In response to a similar proposal, HB 751 (2025), officials from the **Branson Police Department (Department or PD)** stated this legislation will directly and negatively impact the Branson Police Department, as it has invested \$45,000 and over a hundred hours of training and

licensing time to create the PD's Drone Unit. This bill would cause the Department to lose the use of the two drones already purchased (one large and one small for SWAT operations). Currently, no domestic company offers comparable drones, with the number of uses the PD needs to protect life, for reasonable costs. The available domestic drones would cost this agency over \$100,000 for the same capabilities the Department currently has with its DJI drones.

**Oversight** notes the definition of government agency includes "any state, county, local, or municipal government entity or any unit of government created or established by law".

**Oversight** assumes there could be costs to local to replace non-conforming drones. Oversight will range costs from \$0 to (Unknown) for local governments. Oversight assumes the unknown costs could exceed \$250,000 annually.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Cost – STO – potential reimbursement of drones</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost – OSCA – increased caseload</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>
<b>COLLEGE AND UNIVERSITY FUNDS**</b>			
<u>Costs – College and Universities – replacement of non-conforming drones (\$542.558)</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY FUNDS</b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>VARIOUS STATE FUNDS*</b>			
<u>Revenue</u> – potential increase due to fines for violations of §542.568	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
<b>ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS</b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>

\*Oversight assumes fine revenue will not exceed \$250,000 per fiscal year.

\*\*Oversight assumes unknown costs to replace unmanned aircraft could exceed \$250,000 annually.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL POLITICAL SUBDIVISIONS*</b>			
<u>Costs</u> – Local governments – replacement of non-conforming drones (§542.558)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Revenue</u> – School Districts - potential increase due to fines for violations of §542.568	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>	<b>\$0 or <u>Unknown</u></b>

\*Oversight assumes fine revenue will not exceed \$250,000 per fiscal year.

#### FISCAL IMPACT – Small Business

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

#### FISCAL DESCRIPTION

This bill establishes the "Unmanned Aerial Systems Security Act of 2025."

This bill prohibits the purchase or use by a government agency of a drone or any related service or equipment produced by a manufacturer domiciled in a country of concern, as defined in the bill.

This bill establishes three tiers of drone classifications based on a drone's capabilities and functions to collect, transmit, or receive data, such as, only flight control data, visual data, or auditory data. The security requirements for the use of each tier varies, as specified in the bill.

Drones in use by a government agency are prohibited from being connected to the internet for any reason other than command, control, coordination, or communication to ground control stations.

The bill specifies security precautions government agencies must use when connecting a drone or its software to a computer or network of a government agency. Drones and their software are prohibited from connecting with any phone or other mobile device owned by a government agency that connects to a government agency network.

All communications from and to a drone shall utilize a federally compliant encryption algorithm.

The Missouri Department of Transportation shall identify sensitive installations within the state of Missouri for the purpose of prohibiting drone usage over those locations. Flight mapping software providers shall geo-fence the state's sensitive locations. Law enforcement agencies shall have access to geo-fenced locations.

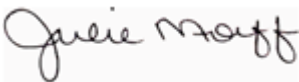
It shall be a class B misdemeanor for a provider of flight mapping software to allow a user to fly a drone over a sensitive location unless the user is a law enforcement officer. It shall be a class B misdemeanor to fly a drone over a sensitive location unless the user is a law enforcement officer.

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

Missouri Department of Transportation  
Office of Administration - Administrative Hearing Commission  
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 – Alcohol and Tobacco Control

Department of Public Safety – Capitol Police  
Department of Public Safety – Fire Safety  
Department of Public Safety – Director’s Office  
Department of Public Safety – Gaming Commission  
Missouri Highway Patrol  
Missouri Veterans Commission  
State Emergency Management Agency  
Department of Social Services  
Office of the Governor  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Missouri Ethics Commission  
Missouri National Guard  
MoDOT & Patrol Employees’ Retirement System  
Office of Administration  
Office of the State Treasurer  
University of Missouri  
Missouri Lottery  
Missouri Consolidated Health Care Plan  
Missouri State Employee's Retirement System and State Tax Commission  
Department of Health and Senior Services  
Office of the State Public Defender  
Office of the State Courts Administrator  
Office of Administration - Budget and Planning



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