

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1506H.02I
 Bill No.: HB 751
 Subject: Aircraft and Airports; Science and Technology
 Type: Original
 Date: February 9, 2025

Bill Summary: This proposal establishes the "foreign unmanned aircraft law".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$97,137)	(\$113,968)	(\$115,932)
Total Estimated Net Effect on General Revenue	(\$97,137)	(\$113,968)	(\$115,932)

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

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

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	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 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)

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

FISCAL ANALYSIS

ASSUMPTION

§650.600 – Foreign unmanned aircraft law

Officials from the **Department of Public Safety (DPS) – Director’s Office** state one FTE (Program Specialist, \$68,712 annually) is needed to manage the collection of aircraft that do not comply with the proposed law and one FTE (Grant Specialist, \$47,950 annually) to oversee the grant program.

DPS estimates a total fiscal impact to the General Revenue Fund of \$170,058 for FY 2026; \$198,273 for FY 2027; and \$201,606 for FY 2028.

Oversight requested additional information from the **Department of Public Safety - Director’s Office** but did not receive a response by the time this fiscal note was completed.

Oversight notes the provisions of this proposal only prohibit public entities from purchasing or acquiring certain small unmanned aircraft systems and that public entities are prohibited from using these systems after May 1, 2027. Oversight is unaware of a grant program being established under the provisions of this proposal. The provisions only provide that DPS may grant exceptions to the provisions of the proposal. Therefore, Oversight assumes the DPS will need 1 FTE (Program Specialist, \$68,712 annually) to manage the collection of the aircraft that do not comply with the proposed law.

Officials from **Southeast Missouri State University (SEMO)** state 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.

Officials from the **Metropolitan St. Louis Sewer District (MSD)** state 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.

Officials from the **City of O'Fallon (City)** state, 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.

Officials from the **Branson Police Department (Department or PD)** state 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 has no information to the contrary. As some cities and utilities (listed below) assumed the proposal would have no fiscal impact on their organizations, Oversight will range costs from

\$0 to (Unknown) for local governments. Oversight assumes the unknown costs could exceed \$250,000 annually.

Officials from the **Office of Attorney General (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 has no information to the contrary. Therefore, Oversight assumes no fiscal impact for the AGO for this proposal.

Officials from the **Office of Administration - Budget and Planning** defer to the Department of Public Safety – Director’s Office for response relating to the fiscal impact of this proposal.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety (DPS)**, **Divisions of: Alcohol and Tobacco Control, Capitol Police, Fire Safety, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission**, and the **State Emergency Management Agency**, the **Department of Social Services**, the **Office of the Governor**, the **Missouri Department of Agriculture**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri Department of Transportation**, the **Missouri National Guard**, the **MoDOT & Patrol Employees’ Retirement System**, the **Office of Administration**, the **Petroleum Storage Tank Insurance Fund**, the **Office of the Secretary of State**, the **Office of the State Public Defender**, the **Office of the State Treasurer**, the **City of Kansas City**, the **Jackson County Election Board**, the **Platte County Board of Elections**, the **St. Louis City Board of Elections**, the **St. Louis County Board**, the **Newton County Health Department**, the **Clay County Auditor**, the **Phelps County Sheriff**, the **Kansas City Police Department**, the **St. Louis County Police Department**, the **County Employees Retirement Fund**, the **Kansas City Civilian Police Employees’ Retirement**, the **Kansas City Police Retirement System**, the **Kansas City Public School Retirement System**, the **Public Education Employees’ Retirement System**, the **Sheriff’s Retirement System**, the **Washington School District**, the **South River Drainage District**, the **St. Charles County Public Water Supply District #2**, the **Wayne County Public Water Supply District #2**, **Northwest Missouri State University**, the **Office of the State Auditor**, the **Missouri House of Representatives**, the **Joint Committee on Administrative Rules**, the **Joint Committee on Education**, the **Joint Committee on Public Employee Retirement**, **Legislative Research**, the **Oversight Division**, the **Missouri Senate**, the **Missouri Lottery**, the **Missouri Consolidated Health Care Plan**, the **Missouri Office of Prosecution Services**, the **Missouri State Employee's Retirement System**, the **Office of the State Courts Administrator**, the **State Tax Commission**, the **Mid-Continent Public Library**

and the **Rolling Hills Consolidated Library** 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, local election authorities, various county officials, local public health departments, nursing homes, sheriffs’ departments, fire protection districts, ambulance and EMS, retirement, schools, utilities, hospitals, colleges and universities, electric companies, solid waste management districts and public libraries were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Costs – DPS (§650.600) p.3</u>			
Personal service	(\$57,250)	(\$70,086)	(\$71,488)
Fringe benefits	(\$36,110)	(\$43,882)	(\$44,444)
Equipment and expense	<u>(\$3,777)</u>	\$0	\$0
Total Cost - DPS	<u>(\$97,137)</u>	<u>(\$113,968)</u>	<u>(\$115,932)</u>
FTE Change - DPS	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$97,137)</u>	<u>(\$113,968)</u>	<u>(\$115,932)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
COLLEGE AND UNIVERSITY FUNDS			
<u>Costs – College and Universities – replacement of non-conforming drones (§650.600) p. 3</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY FUNDS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL GOVERNMENTS			
<u>Costs</u> – Local governments – increase in costs for inspection and surveillance of facilities and property, purchase of new drones, etc. (§650.600) p.4	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill enacts "The Foreign Unmanned Aircraft Law", prohibiting public entities from purchasing or acquiring small unmanned aircraft systems manufactured or assembled by certain foreign entities. Public entities will also be prohibited from using such unmanned aircraft systems after May 1, 2027. The Director of the Department of Public Safety can grant exceptions as specified in the bill.

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 Administration –
 - Administrative Hearing Commission
 - Budget and Planning
- Department of Commerce and Insurance
- Department of Economic Development
- Department of Elementary and Secondary Education
- Department of Higher Education and Workforce Development
- Department of Health and Senior Services
- Department of Mental Health
- Department of Natural Resources
- Department of Corrections

Department of Labor and Industrial Relations

Department of Revenue

Department of Public Safety –

Division of Alcohol and Tobacco Control

Capitol Police

Fire Safety

Director's Office

Missouri 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 Department of Transportation

Missouri National Guard

MoDOT & Patrol Employees' Retirement System

Office of Administration

Petroleum Storage Tank Insurance Fund

Office of the Secretary of State

Office of the State Public Defender

Office of the State Treasurer

City of Kansas City

City of O'Fallon

Jackson County Election Board

Platte County Board of Elections

St. Louis City Board of Elections

St. Louis County Board of Elections

Newton County Health Department

Clay County Auditor

Phelps County Sheriff

Branson Police Department

Kansas City Police Department

St. Louis County Police Department

County Employees Retirement Fund

Kansas City Civilian Police Employees' Retirement

Kansas City Police Retirement System

Kansas City Public School Retirement System

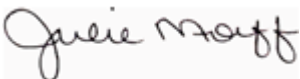
Public Education Employees' Retirement System

Sheriff's Retirement System

Washington School District

Metropolitan St. Louis Sewer District

South River Drainage District
St. Charles County Public Water Supply District #2
Wayne County Public Water Supply District #2
Northwest Missouri State University
Southeast Missouri State University
University of Central Missouri
Office of the State Auditor
Missouri House of Representatives
Joint Committee on Administrative Rules
Joint Committee on Education
Joint Committee on Public Employee Retirement
Legislative Research
Oversight Division
Missouri Senate
Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri Office of Prosecution Services
Missouri State Employee's Retirement System
Office of the State Courts Administrator
State Tax Commission
Mid-Continent Public Library
Rolling Hills Consolidated Library



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