

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1549H.05C
Bill No.: HCS for HB Nos. 434 & 459
Subject: Courts; Firearms; Federal - State Relations
Type: Original
Date: April 27, 2025

Bill Summary: This proposal establishes the "Anti-Red Flag Gun Seizure Act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight assumes the addition of a civil penalty of \$50,000 per occurrence for any violations of §1.486 could reach the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Other State Funds*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
State Legal Expense Fund (0692)**	\$0	\$0	\$0
Colleges and Universities*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
State Highways and Transportation Department Fund (0644)*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Water Patrol Division Fund (0400)*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

**Indicates numbers that net to zero.

Numbers within parentheses: () indicate costs or losses.

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

*Oversight assumes the loss of federal funds could reach the \$250,000 threshold.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☒ 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 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§1.486 – Anti-Red Flag Gun Seizure Act

Officials from the **Office of Administration (OA)** state this legislation creates provisions and damages relating to seizure of firearms and includes a waiver of sovereign immunity for actions brought under this section. This has the potential to increase costs to the LEF but would be subject to judicial construction; therefore, the cost is unknown.

Oversight does not have any information contrary to that provided by OA. Therefore, Oversight will reflect OA's potential unknown impact for fiscal note purposes to the State Legal Expense Fund. Oversight notes the Legal Expense Fund is funded by the General Revenue Fund as well as other state funds. Oversight notes this possible litigation exposure as described by OA could also apply to colleges and universities, federal funds, as well as local political subdivisions.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state section 1.486.7(1) creates a right to sue the law enforcement agency for a minimum of \$50,000 per occurrence along with punitive damages and attorney's fees. The Patrol has no way of computing the number of allegations it may have to defend. Due to this, the impact is listed as unknown to General Revenue, the State Highways and Transportation Department Fund (0644), the Water Patrol Division Fund (0400), and Federal Funds (0152). The three impacted state funds are the primary funding sources for enforcement personnel.

Additionally, section 1.486.2 and section 1.486.4 could have a fiscal impact as it might eliminate federal grant money that pays for the salaries of four (4) troopers and some overtime for troopers assigned to a federal task force or are assigned to work with a specified federal law enforcement agency.

Finally, section 1.486.7(5) appears to waive sovereign immunity, which could account for funding for the defense of future civil litigation and would be a considerable departure from current law.

Oversight does not have any information contrary to that provided by MHP. Therefore, Oversight will reflect MHP's impact as \$0 or an Unknown loss to the funds listed above. Oversight assumes the amounts of federal funding received by the state related to a red flag law would reach the \$250,000 threshold.

In response to a previous version, officials from the **Office of Administration - Budget and Planning (B&P)** stated Article IX, Section 7 of the Missouri Constitution requires that penalties, forfeitures, and fines collected for violations of state law be distributed to the schools. To the extent any additional such revenues are deposited into the state treasury, TSR may increase.

Oversight notes that violations of section 1.486.7(1) 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.

Officials from the **Office of State Courts Administrator (OSCA)** state 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 previous version, officials from the **Office of Attorney General (AGO)** assumed 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 does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **City of Kansas City** state this legislation has a potentially negative fiscal impact as it potentially increases the City's liability.

Officials from the **Branson Police Department** state this has the potential to have a huge negative impact fiscally on their agency.

Officials from the **Department of Social Services**, the **Missouri Department of Conservation**, the **Phelps County Sheriff's Department**, and the **Kansas City Police Department** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Missouri Office of Prosecution Services** and the **St. Louis County Police Department** each assumed 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, counties, and local law enforcement 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.

This proposal has an emergency clause.

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028
GENERAL REVENUE			
<u>Cost – MHP (§1.486) Potential loss of funding</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – OSCA (§1.486) Potential cost relating to “Anti-Red Flag Gun Seizure Act”</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Transfer Out – to the State Legal Expense Fund (§1.486) Potential increase in litigation</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
OTHER STATE FUNDS			
<u>Cost Increase - (§1.486) Potential increase in transfer to LEF</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028
STATE LEGAL EXPENSE FUND (0692)			
<u>Transfer In</u> – (§1.486) From General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost Increase</u> - (§1.486) Potential increase in litigation	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON THE LEGAL EXPENSE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
COLLEGES AND UNIVERSITIES			
<u>Cost Increase</u> - (§1.486) Potential increase in litigation	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
STATE HIGHWAYS AND TRANSPORTATION DEPARTMENT FUND (0644)			
<u>Cost – MHP</u> (§1.486) Potential loss of funding	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON THE STATE HIGHWAYS AND TRANSPORTATION FUND	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028
WATER PATROL DIVISION FUND (0400)			
<u>Cost – MHP (§1.486) Potential loss of funding</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON THE WATER PATROL DIVISION FUND	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
FEDERAL FUNDS			
<u>Cost Increase - (§1.486) Potential increase in litigation</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<u>Cost – MHP (§1.486) Potential loss of funding</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT TO FEDERAL FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue – School districts (§1.486) Fines from violations</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<u>Cost - (§1.486) Potential increase in litigation and/or civil penalty costs</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or Unknown to (Unknown)</u>	<u>\$0 or Unknown to (Unknown)</u>	<u>\$0 or Unknown to (Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

ANTI-RED FLAG GUN SEIZURE ACT (Section 1.486)
This bill establishes the "Anti-Red Flag Gun Seizure Act".

This bill contains an emergency clause.

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
Department of Public Safety - Missouri Highway Patrol
Department of Social Services
Missouri Department of Conservation
Office of Administration
Missouri Office of Prosecution Services
Office of the State Courts Administrator
City of Kansas City
Phelps County Sheriff's Department
Branson Police Department
Kansas City Police Department
St. Louis County Police Department



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