

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2365H.01I  
Bill No.: HB 993  
Subject: Department of Agriculture; Business and Commerce  
Type: Original  
Date: March 17, 2025

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Bill Summary: This proposal changes the laws regarding the foreign ownership of real property.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	(\$207,473)	(\$217,330)	(\$221,045)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$207,473)</b>	<b>(\$217,330)</b>	<b>(\$221,045)</b>

\***Oversight** assumes that the net impact is from 2 FTE needed to review and make individual determinations concerning foreign business agricultural land transactions in the Attorney General's Office.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<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.

<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>
General Revenue	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</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</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Sections 442.566, 442.571, 442.576, 442.591, and 442.592 - Changes the laws regarding the foreign ownership of real property

Officials from the **Attorney General's Office (AGO)** assumed this proposal would increase personnel costs because the AGO would be required to review and make individual determinations concerning foreign business agricultural land transactions. Two (2) additional attorneys are necessary to review and make determinations on the transactions. One additional support staff is also requested to support the additional attorneys.

**Oversight** assumes the AGO will not require both Assistant Attorneys General (AAG) and reduced the FTE estimate to one (1) FTE AAG I and one (1) FTE Paralegal.

Officials from the **Department of Revenue**, the **Missouri Department of Agriculture** and the **Office of Administration** and 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.

### **Rule Promulgation**

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Costs - AGO</u>			
Personnel Service	(\$108,333)	(\$132,600)	(\$135,252)
Fringe Benefits	(\$69,740)	(\$84,730)	(\$85,793)
Expense & Equipment	(\$29,670)	\$0	\$0
<u>Total Costs - AGO</u>	<u>(\$207,473)</u>	<u>(\$217,330)</u>	<u>(\$221,045)</u>
FTE Change	2 FTE	2 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$207,473)</u></b>	<b><u>(\$217,330)</u></b>	<b><u>(\$221,045)</u></b>
Estimated Net FTE Change on the General Revenue Fund	2 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

#### FISCAL IMPACT – Small Business

Small agricultural businesses could be impacted as a result of this proposal.

#### FISCAL DESCRIPTION

Currently, foreign ownership of agricultural land may not exceed 1% of the total agricultural land in the State. This bill reduces the percentage to 0.5% and requires any sale or transfer of such land by an alien or foreign business to be reported, as defined in the bill, to the Department of Agriculture and the Attorney General 30 days prior to when the sale or transfer is finalized. The Attorney General must review and approve or reject any sale or transfer as provided in the bill within the 30 days or the sale or transfer is considered to meet the necessary requirements.

The Department and the Attorney General must review the transactions and investigate acquisitions of agricultural land if the Attorney General believes the acquisition violates these prohibitions. An alien or foreign business that owns or acquires agricultural land must report the status of the usage of such land at intervals established in the bill. If there is a change in land

usage, that change must be reported to the Department and the Attorney General within 30 days. Land acquired in violation is subject to court action and divestiture. The limitations on percentage of acreage that an alien or foreign business can acquire do not apply to certain land used for research or experimental purposes.

The bill also prohibits a foreign business from a foreign adversary, as identified by the federal government, from purchasing any land in the State. Violations of this prohibition must be reported to the Attorney General and adhere to the requirements of the USA Patriot Act of 2001.

The bill adds the Attorney General, in addition to the Department, to all requirements for enforcement and reporting relating to agricultural land owned by foreign entities.

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 Agriculture  
Office of Administration  
Department of Revenue  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Attorney General's Office



Julie Morff  
Director  
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Jessica Harris  
Assistant Director  
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