COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2687H.01I Bill No.: HB 1175

Subject: Firearms; Federal - State Relations

Type: Original

Date: February 12, 2025

Bill Summary: This proposal repeals and reestablishes the Second Amendment Preservation

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 total state fiscal impact could exceed \$250,000 due to the potential for civil action and the addition of a civil penalty of \$50,000 per occurrence for any violations of \$\$1.460 and 1.470.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS					
FUND AFFECTED	FY 2026	FY 2027	FY 2028		
State Legal Expense					
Fund (0692)**	\$0	\$0	\$0		
Other State Funds**	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)		
Colleges and					
Universities**	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)		
Total Estimated Net					
Effect on Other State					
Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)		

^{**}The potential fiscal impact to various state funds (and local political subdivisions) stems from a new cause of action that can be brought against the state and other entities in §1.460. 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			
\$0 or Unknown to \$0 or Unknown to \$0 or Unknown to						
Local Government*	(Unknown)	(Unknown)	(Unknown)			

^{*}Fine revenue from violations and potential litigation costs.

L.R. No. 2687H.01I Bill No. HB 1175 Page **3** of **8** February 12, 2025

FISCAL ANALYSIS

ASSUMPTION

§§1.410, 1.420, 1.430, 1.440, 1.450, 1.460, 1.470, 1.480, and 1.485 - Right to bear arms

Officials from the **Office of Administration** – **General Services (OA/GS)** state §1.460 and §1.470 of this legislation creates provisions and damages relating to firearm deprival 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/GS. Therefore, Oversight will reflect OA/GS'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.

In response to similar legislation from 2025 (SB 135), 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 §§1.460 and 1.470 could result in a civil penalty of \$50,000 per occurrence. 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.

In response to similar legislation from 2025 (HB 1060), officials from the **Department of Corrections (DOC)** stated this proposal modifies provisions relating to additional protects to bear arms. Section 1.420 is created, stipulating that no tax or registration shall be imposed on firearms. Section 1.470 is created, stipulating any law enforcement agency that employs a law enforcement officer who knowingly violates section 1.420 shall be liable.

The DOC assumes a \$0 impact; however, section 1.470 could create an increase in legal claims against the department. Should this occur, the department could see significant fiscal and operational impacts.

L.R. No. 2687H.011 Bill No. HB 1175 Page **4** of **8** February 12, 2025

Officials from the **Department of Public Safety - Missouri State Highway Patrol (MHP)** state the proposal would not have a direct fiscal impact on their organization. The present iteration of the Second Amendment Preservation Act (SAPA) has caused disruption to enforcement action, which this proposal would likely continue. Further, the present SAPA language has been ruled unconstitutional and not severable by the 8th Circuit Court of Appeals, although that decision is still subject to appeal.

In addition, Section 1.460.3 strips the Patrol of any sovereign, official, or qualified immunity and awards attorney's fees to the prevailing party. This act might result in an increased financial cost at the expense of law enforcement and, ultimately, Missouri taxpayers.

Officials from the **City of Kansas City** state the proposed legislation could potentially increase the city's exposure to liability and therefore, has a potential negative fiscal impact.

Officials from the **City of O'Fallon** state this bill could potentially cost the City of O'Fallon \$6.5 million per event if a violation were to occur as the bill is written currently.

Officials from the **Branson Police Department** state this has the potential to have a severe impact on this agency and/or its officers. Since each violation carries a \$50,000 fine, and this is uncharted waters related to this bill and future case law that will result from it, the impact on an agency or officers that make a good faith mistake could be catastrophic.

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 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 Department of Revenue, the Missouri Department of Conservation, the Missouri Office of Prosecution Services, the Office of the State Public Defender, the Phelps County Sheriff's Department, the Kansas City Police Department, and the St. Louis County Police Department each assume the proposal will have no fiscal impact on their respective organizations.

In response to similar legislation from 2025 (SB 135), officials from the **Office of the State**Courts Administrator assumed the proposal will have no fiscal impact on their organization.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local law enforcement, cities, and counties were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

FISCAL IMPACT – State Government	FY 2026	FY 2027	FY 2028
GENERAL REVENUE			
Transfer Out – to the State Legal Expense Fund – OA-GS (§§1.410 to	<u>\$0 to</u>	\$0 to	<u>\$0 to</u>
1.485) Potential increase in litigation	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 to (Unknown)	\$0 to (Unknown)	<u>\$0 to</u> (Unknown)
STATE LEGAL EXPENSE FUND (0692)			
Transfer In – from General Revenue	\$0 to	\$0 to	\$0 to
and other State and Federal funds	Unknown	Unknown	Unknown
<u>Cost</u> – OA/GS (§§1.410 to 1.485)	\$0 to	<u>\$0 to</u>	\$0 to
Potential increase in litigation	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON THE STATE LEGAL EXPENSE FUND	\$0	\$0	\$0
	<u> </u>	<u> </u>	<u> </u>
OTHER STATE FUNDS			
Transfer Out – to the State Legal Expense Fund – OA-GS (§§1.410 to 1.485) Potential increase in litigation	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT OTHER STATE FUNDS	\$0 to (Unknown)	\$0 to (Unknown)	<u>\$0 to</u> (Unknown)

FISCAL IMPACT – State Government	FY 2026	FY 2027	FY 2028
COLLEGES AND UNIVERSITIES			
$Cost - (\S\S1.410 \text{ to } 1.485) \text{ Potential}$	<u>\$0 to</u>	<u>\$0 to</u>	<u>\$0 to</u>
increase in litigation	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON	<u>\$0 to</u>	<u>\$0 to</u>	<u>\$0 to</u>
COLLEGES AND UNIVERSITIES	(Unknown)	(Unknown)	(Unknown)
FEDERAL FUNDS			
Cost - (§§1.410 to 1.485) Potential	<u>\$0 or</u>	<u>\$0 or</u>	<u>\$0 or</u>
increase in litigation	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO	<u>\$0 or</u>	<u>\$0 or</u>	<u>\$0 or</u>
FEDERAL FUNDS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – Local Government	FY 2026	FY 2027	FY 2028
LOCAL POLITICAL			
SUBDIVISIONS			
Revenue – School districts (§§1.460	\$0 to	\$0 to	\$0 to
and 1.470) Fines from violations	Unknown	Unknown	Unknown
<u>Cost</u> - (§§1.410 to 1.485) Potential			
increase in litigation and/or civil	<u>\$0 to</u>	<u>\$0 to</u>	<u>\$0 to</u>
penalty costs	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON	<u>\$0 or</u>	<u>\$0 or</u>	<u>\$0 or</u>
LOCAL POLITICAL	<u>Unknown to</u>	<u>Unknown to</u>	<u>Unknown to</u>
SUBDIVISIONS	(Unknown)	(Unknown)	<u>(Unknown)</u>
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FISCAL IMPACT – Small Business

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

L.R. No. 2687H.01I Bill No. HB 1175 Page **7** of **8** February 12, 2025

FISCAL DESCRIPTION

REENACTING PORTIONS OF THE SECOND AMENDMENT PRESERVATION ACT (Sections 1.410, 1.420, 1.430, 1.440, 1.450, 1.460, 1.470, 1.480, and 1.485)

This bill establishes the "Second Amendment Preservation Act".

The following Federal actions will be considered infringements of the Second Amendment:

- (1) Any tax, levy, fee, or stamp imposed on firearms or ammunition, as described in the bill;
- (2) Any registration or tracking of firearms or ammunition;
- (3) Any registration or tracking of the ownership of firearms or ammunition;
- (4) Any act forbidding the possession, ownership, use, or transfer of a firearm or ammunition; and
- (5) Any act ordering the confiscation of firearms or ammunition.

This bill further holds that all Federal laws or regulations that infringe upon the Second Amendment will be invalid in Missouri. It will be the duty of the courts and law enforcement of Missouri to protect these rights.

No entity or person will have the authority to enforce Federal acts that infringe upon the Second Amendment. Any political subdivision that employs a law enforcement officer who knowingly violates these provisions will be subject to a civil penalty of \$50,000 per occurrence. Any person whose Second Amendment rights are injured can pursue injunctive relief, and a court may issue a temporary restraining order. If such legal action is taken, sovereign immunity will not be an affirmative defense.

Any political subdivision or law enforcement agency that knowingly employs an individual who infringes a citizen's Second Amendment rights, or who gives material aid and support to another who infringes a citizen's Second Amendment rights will be subject to a civil penalty of \$50,000 per employee. If such legal action is taken, sovereign immunity will not be an affirmative defense.

It will not be considered a violation of law to provide material aid to federal prosecution for:

- (1) Felony crimes against a person when such prosecution includes weapons violations substantially similar to those found in existing Missouri criminal law statutes, so long as such weapons violations are merely ancillary to such prosecution; or
- (2) Class A or Class B felony violations substantially similar to those found in Missouri criminal statute when such prosecution includes weapons violations that are merely ancillary to such prosecutions.

The provisions in this bill will be applicable to offenses occurring on or after August 28, 2025.

L.R. No. 2687H.01I Bill No. HB 1175 Page **8** of **8** February 12, 2025

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

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