

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 767
103RD GENERAL ASSEMBLY

1806H.02C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 23.140, RSMo, and to enact in lieu thereof two new sections relating to the cost of implementing laws and regulations.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 23.140, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 23.140 and 620.1320, to read as follows:

- 23.140. 1. Legislation, with the exception of appropriation bills, introduced into either house of the general assembly shall, before being acted upon, be submitted to the oversight division of the committee on legislative research for the preparation of a fiscal note. The staff of the oversight division shall prepare a fiscal note, examining the items contained in subsection 2 and such additional items as may be provided either by joint rule of the house and senate or by resolution adopted by the committee or the oversight subcommittee.
2. The fiscal note shall state:
- (1) The cost of the proposed legislation to the state for the next two fiscal years;
 - (2) Whether or not the proposed legislation will establish a program or agency that will duplicate an existing program or agency;
 - (3) Whether or not there is a federal mandate for the program or agency;
 - (4) Whether or not the proposed program or agency will have significant direct fiscal impact upon any political subdivision of the state;
 - (5) Whether or not any new physical facilities will be required; ~~and~~
 - (6) Whether or not the proposed legislation will have an economic impact on small businesses. For the purpose of this subdivision "small business" means a corporation, partnership, sole proprietorship or other business entity, including its affiliates, that:
 - (a) Is independently owned and operated; and

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 (b) Employs fifty or fewer full-time employees; **and**

20 **(7) An estimate of the employee hours required to implement a new program.**

21 3. The fiscal note for a bill shall accompany the bill throughout its course of passage.
22 No member of the general assembly, lobbyist or persons other than oversight division staff
23 members shall participate in the preparation of any fiscal note unless the communication is in
24 writing, with a duplicate to be filed with the fiscal note or unless requested for information by
25 the fiscal analyst preparing the note. Violations of this provision shall be reported to the
26 chairman of the legislative research committee and subject the fiscal note and proposed bill to
27 subcommittee review. Once a fiscal note has been signed and approved by the director of the
28 oversight division, the note shall not be changed or revised without prior approval of the
29 chairman of the legislative research committee, except to reflect changes made in the bill it
30 accompanies, or to correct patent typographical, clerical or drafting errors that do not involve
31 changes of substance, nor shall substitution be made therefor. Appeals to revise, change or to
32 substitute a fiscal note shall be made in writing by a member of the general assembly to the
33 chairman of the legislative research committee and a hearing before the committee or
34 subcommittee shall be granted as soon as possible. Any member of the general assembly,
35 upon presentation of new or additional material, may, within three legislative days after the
36 hearing on the request to revise, change or substitute a fiscal note, request one rehearing
37 before the full committee to further consider the requested change. The subcommittee, if
38 satisfied that new or additional material has been presented, may recommend such rehearing
39 to the full committee, and the rehearing shall be held as soon as possible thereafter.

40 4. The director of the division, hereinafter provided for, or the director's designees,
41 shall seek information and advice from the affected department, division or agency of state
42 government and shall call upon the research staffs of the house of representatives and of the
43 senate, and upon the staffs of the house and senate appropriations committees for assistance in
44 carrying out fiscal notes and evaluations of programs selected by the committee, during the
45 interim, and each staff shall supply such information or advice as it deems appropriate in
46 response to the inquiry. The state auditor shall, upon request, cooperate and provide
47 assistance in the conduct of audits and the preparation of reports made in connection
48 therewith.

49 **5. When seeking information and advice from a political subdivision in the state,**
50 **the director or director's designees shall:**

51 **(1) At minimum, ensure all communications, including emails, directly to**
52 **political subdivisions requesting information and advice contains the following items**
53 **either attached or directly cited within the text of the communication:**

54 **(a) Bill number;**

55 **(b) Bill summary;**

- 56 (c) Bill text;
- 57 (d) A direct link to the fiscal note form associated with the request; and
- 58 (e) Any changes to previous iterations of the bill; and
- 59 (2) Solicit information from any state department or agency that has access to
- 60 necessary data, calculation tools, or resources that can be utilized to determine the fiscal
- 61 impact to a political subdivision.

2 620.1320. Beginning on September 1, 2025, each state department shall, on a
3 quarterly basis, report to the department of economic development all costs associated
4 with complying with federal regulations for the preceding quarter. The reports shall be
5 delivered to the general assembly and made available to the public on the department of
economic development's website.

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