

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3970H.011  
Bill No.: HB 2998  
Subject: Economic Development; State Departments; Transportation; Energy; Motor  
Vehicles; State Departments; Roads and Highways  
Type: Original  
Date: April 13, 2026

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Bill Summary: This proposal modifies provisions relating to rural economic development.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(\$3,169,726)	(\$189,046)	(\$192,500)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$3,169,726)</b>	<b>(\$189,046)</b>	<b>(\$192,500)</b>

\*Oversight notes a one-time cost of \$3 million for §226.1205 (Missouri Basin Feasibility Study conducted by MODOT) as well as costs for an FTE for DED §620.070 (Rural Development Office).

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §226.035 – Statewide Transportation Improvement Program (STIP)

Officials from the **Office of Administration – Budget & Planning (B&P)** assume §226.035 creates provisions ensuring the statewide transportation improvement program prioritize projects on rural roads with high fatality rates and fund rural projects at the same level as the rural percentage of Missouri's Population. This requirement will not fiscally impact TSR and GR.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

#### §226.1205 – Upper Mississippi River Basin Study

Officials from the **Missouri Department of Transportation (MODOT)** note MoDOT expects a feasibility study on potential improvements to the upper Mississippi River basin to cost up to \$3,000,000 and take a minimum of three years to complete. Any such study would need to be conducted in coordination with the United States Army Corps of Engineers as this is under their jurisdiction.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the MODOT.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume §226.1205 Missouri Department of Transportation (MoDOT) conducts a feasibility study for improvements to locks and dams on the Mississippi River. This will not directly impact TSR or GR.

#### §393.1120 & §393.1122 – Solar Energy Systems

In response to similar legislation, HB 2478 (2026), officials from the **Department of Natural Resources, Department of Revenue** and **Office of the State Courts Administrator** 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.

#### §620.070 – Rural Development Office

Officials from the **Office of Administration – Budget & Planning (B&P)** assume §620.070 creates the "Rural Development Office" (RDO) within the Department of Economic Development (DED) and several provisions that outline related duties. This proposal will not

impact TSR or GR collections, or the calculation pursuant to Article X, Sec. 18(e). B&P defers to DED for associated budget impacts.

Officials from the **Department of Economic Development (DED)** assume §620.070. creates the "Rural Development Office" within DED, for the purpose of advocating for rural Missouri and aiding rural improvements.

1 FTE will be needed to staff the office, but the legislation does not issue any funding, whether grants, tax credits, or otherwise.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DED.

#### Responses regarding the proposed legislation as a whole

Officials from the **Department of Commerce and Insurance, Missouri House of Representatives, Missouri Senate, Office of the State Courts Administrator, Office of the Governor, and City of Kansas City** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

#### 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 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE FUND</b>			
<u>Cost – (\$226.1205) –Missouri Basin Study by MODOT p.3</u>	(\$3,000,000)	\$0	\$0
<u>Cost – DED (\$620.070) p.3-4</u>			
Personnel Service	(\$96,740)	(\$118,410)	(\$120,778)
Fringe Benefits	(\$52,522)	(\$63,960)	(\$64,913)
Expense & Equipment	(\$20,464)	(\$6,676)	(\$6,809)
<u>Total Costs – DED</u>	<u>(\$169,726)</u>	<u>(\$189,046)</u>	<u>(\$192,500)</u>
FTE Change – DED	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<b><u>(\$3,169,726)</u></b>	<b><u>(\$189,046)</u></b>	<b><u>(\$192,500)</u></b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill modifies the provisions relating to rural economic development.

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) (Section 226.035)

The bill requires the Department of Transportation, when preparing the STIP, to prioritize projects involving rural roads and highways with high fatality rates.

UPPER MISSISSIPPI RIVER BASIN STUDY (Section 226.1205)

The bill requires the Department of Transportation to conduct a feasibility study on potential improvements to the Upper Mississippi River Basin. The study must include an evaluation of increasing the navigation season to 12-month navigation, upgrading the existing locks to 1,200

foot locks, and adding hydropower on existing locks and dams. The Department must report its findings to the General Assembly no later than December 1, 2026.

#### ELECTRICAL CORPORATIONS (Section 393.407)

The bill prohibits an electrical corporation, independently owned utility, municipally owned utility, or electric cooperative from closing or ceasing operation of any coal-fired power plant for five years after the effective date of the bill.

#### SOLAR ENERGY SYSTEMS (Sections 393.1120 and 393.1122)

At least 90% of all real and tangible personal property solar equipment associated with a project that uses solar energy to generate electricity must be made in or sourced from the United States. At least 90% of all labor associated with the installation of a project that uses solar energy to generate electricity must be made in or sources from Missouri. The total amount of real property associated with all solar energy projects in any county cannot exceed 2% of all cropland in the county. The county commission can increase the percentage by order, ordinance, regulation, or a vote of the residents. Any resident of the county has standing to bring suit if he or she believes that the cap on cropland has been met.

#### RURAL DEVELOPMENT OFFICE (Section 620.070)

The bill establishes the "Rural Development Office" within the Department of Economic Development to advocate for and promote rural Missouri and focus on efforts designed to aid rural improvements. The duties of the office are 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

Office of Administration- Budget & Planning  
Missouri Department of Transportation  
Department of Commerce and Insurance  
Missouri House of Representatives  
Missouri Senate  
Office of the State Courts Administrator  
Office of the Governor

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Joint Committee on Administrative Rules  
Office of the Secretary of State  
City of Kansas City



Julie Morff  
Director  
April 13, 2026



Jessica Harris  
Assistant Director  
April 13, 2026