

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3970H.02C  
 Bill No.: HCS for HB 2998  
 Subject: Economic Development; State Departments; Transportation; Water Resources and Water Districts; Federal - State Relations  
 Type: Original  
 Date: April 24, 2026

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

#### §226.1205 – 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.

In response to a previous version, officials from the **Office of Administration – Budget & Planning (B&P)** assumed §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.

#### §620.070 – Rural Development Office

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.

In response to the previous version officials from the **Office of Administration – Budget & Planning (B&P)** assumed §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.

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

Officials from the **Office of the Secretary of State, Joint Committee on Administrative Rules and City of Kansas City** each 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.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, county treasurers and county clerks were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<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</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 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, 2029.

The bill also 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  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Julie Morff  
Director  
April 24, 2026



Jessica Harris  
Assistant Director  
April 24, 2026