

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4156H.011
 Bill No.: HB 2412
 Subject: Business and Commerce; Banks and Financial Institutions; Crimes and Punishment;
 Immigration
 Type: Original
 Date: January 16, 2026

Bill Summary: This proposal prohibits the foreign remittance transfer of funds to unauthorized alien, with penalty provisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Missouri Disaster Fund (1663)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** and the **Missouri Office of Prosecution Services** did not respond to **Oversight's** request for fiscal impact for this proposal.

§§361.1040, 361.1042, 361.1044, and 361.1046 – Transfer of Funds to Unauthorized Aliens

§361.1042 – Penalty Provision

Oversight notes §361.1042 states if a licensee initiates a foreign remittance transfer in violation of the verification requirement, the licensee must pay a civil penalty equal to 25% of the United States dollar amount that was transferred, excluding fees. Penalties must be remitted quarterly and are deposited into the Missouri Disaster Fund. Since it is unknown how many penalties will be collected (if any), Oversight will reflect a positive fiscal impact of \$0 or Unknown to the Missouri Disaster Fund (1663).

Oversight assumes most licensees will seek to achieve compliance with this proposal; therefore, Oversight does not anticipate penalty revenue to exceed \$250,000.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Commerce and Insurance**, **Office of the State Public Defender** and the **Department of Public Safety - State Emergency Management Agency** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

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
MISSOURI DISASTER FUND (1663)			
<u>Revenue</u> – (\$361.1042) Transfer violation penalty p.3	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT TO THE MISSOURI DISASTER FUND (1663)	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

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

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, persons licensed under Missouri's money transmitter laws may initiate foreign remittance transfers without a statelevel verification requirement related to the immigration status of the sender. Beginning August 28, 2026, this bill prohibits a money transmitter licensee from initiating a foreign remittance transfer unless the licensee has verified that the sender is not an unauthorized alien, as defined in Federal law. Verification must be completed using documentation and forms developed by the Division of Finance, within the Department of Commerce and Insurance.

The bill requires licensees to submit confirmation of such verification on a quarterly basis, no later than the 15th day of the month following the end of each calendar quarter. If a licensee initiates a foreign remittance transfer in violation of the verification requirement, the licensee must pay a civil penalty equal to 25% of the United States dollar amount that was transferred, excluding fees. Penalties must be remitted quarterly and are deposited into the Missouri Disaster Fund.

The bill also requires licensees to retain specified transaction, verifications, and penalty records for three years and to make such records available for inspection by the Division of Finance. Knowingly filing a false or frivolous complaint related to compliance with these provisions is a Class B misdemeanor. Beginning July 1, 2027, the Division will conduct random quarterly audits of licensees to ensure compliance with these provisions. A licensee will only be audited once every two years, unless the audit finds that the licensee not in compliance. If a licensee fails to comply with an audit the Division may suspend all licenses issued by the Division to the licensee. The licensee may appeal the suspension to the State Banking and Saving and Loan Board. The Board will must make a decision within 90 days from the date of receiving an appeal.

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

Department of Commerce and Insurance
Office of the State Public Defender
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Public Safety - State Emergency Management Agency



Julie Morff
Director
January 16, 2026



Jessica Harris
Assistant Director
January 16, 2026