

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4295H.011
 Bill No.: HB 2226
 Subject: General Assembly; State Departments
 Type: Original
 Date: January 22, 2026

Bill Summary: This proposal adds required staff hours to implement a new program to the list of required components of a fiscal note.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	Could exceed (\$251,260)	Could exceed (\$259,201)	Could exceed (\$263,404)
Total Estimated Net Effect on General Revenue	Could exceed (\$251,260)	Could exceed (\$259,201)	Could exceed (\$263,404)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

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

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
General Revenue	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 FTE

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

§23.140 – Employee Hours to Implement on Fiscal Note

Officials from the **Department of Revenue** assume this proposal expands the information required to be included in a fiscal note. This would require agencies to estimate the number of employee hours required to implement a new program. Currently, an agency only estimates the cost to implement.

DOR notes that once a bill passes, their employees meet to start a review of the bill to determine all the necessary tasks to implement a proposal. They review the following items to see what needs to be updated: forms, instructions, website, computer programs, code of state regulations, employee instructions, vendor notices, public information notices and determine whether employee training will be needed. Each team responsible for a new program or change to an existing program is made up of members of each bureau involved plus members of our legal and communications teams (5-10 members). These same team members are involved in all aspects of implementation. They can spend as few as 10 hours, and some have spent more than 50 hours of work on a program. However, until the bill is finalized, they have no idea of how to estimate the amount of work involved. Asking the bureaus to do this review of each bill during session would require additional FTE (especially in our taxation division whose busiest season matches the legislative session) that would be dedicated to do this estimate and then implementing the bills. This would require at least two Associate Customer Service Representatives (\$42,953 each-salary plus years of service pay) and a Public Information Specialist (\$59,822 salary plus years of service pay).

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated impact by DOR in the fiscal note.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume §23.140 adds a requirement to include estimates on staff hours to implement new programs in fiscal notes. This will cause additional time to be devoted to estimating this additional information. The amount of time, and therefore cost, is highly variable dependent upon the complexity and nature of each bill filed by the General Assembly. As such, the impact is unknown.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated impact by DOLIR in the fiscal note.

Officials from the **Oversight Division** believe that there will be additional time and cost to implement the changes in every fiscal note. At this time, it can be absorbed within the current appropriations. However, should the time and workload increase more than anticipated, the division will request an increase in FTE and/or appropriations as appropriate through the budget process.

Officials from the **Department of Commerce and Insurance** assume this proposal would modify the provisions relating to fiscal notes. Specifically, in addition to the requirements of a fiscal note listed in 23.140.2, this proposal would add subsection 7, making a fiscal note include: an estimate of the employee hours required to implement a new program.

The department believes the costs of this bill can be absorbed within their current appropriations. However, should the cost be more than anticipated, the department would request an increase to their FTE and/or appropriations as appropriate through the budget process.

Officials from the **Joint Committee on Public Employee Retirement's** state their review of this legislation indicates it will not affect retirement plan benefits as defined in Section 105.660(9).

Officials from the **Office of Administration - Administrative Hearing Commission, Office of Administration-Budget and Planning, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Health and Senior Services, Department of Mental Health, Department of Natural Resources, Department of Corrections, Department of Public Safety (Division of Alcohol and Tobacco Control, Capitol Police, Fire Safety, Office of the Director, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission, and State Emergency Management Agency), Department of Social Services, Office of the Governor, Missouri Department of Agriculture, Missouri Department of Transportation, Missouri Department of Conservation, Missouri Ethics Commission, Missouri National Guard, MoDOT & Patrol Employees' Retirement System, Petroleum Storage Tank Insurance Fund, Office of the Secretary of State, Office of the State Public Defender, Office of the State Treasurer, Office of Administration, Office of the Lieutenant Governor, Office of the State Auditor, Missouri House of Representatives, Joint Committee on Administrative Rules, Legislative Research, Missouri State Employee's Retirement System, Missouri Lottery Commission, Missouri Consolidated Health Care Plan, and State Tax Commission** each assume 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.

Officials from the **City of Kansas City, City of Springfield, Platte County Board of Elections, St. Louis County Board of Elections, and St. Louis City Board of Elections** each assume 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties, local election authorities, and county commissioners 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
GENERAL REVENUE			
<u>Cost – DOR (§23.140) p.3</u>			
Personal Service	(\$121,440)	(\$148,643)	(\$151,615)
Fringe Benefits	(\$89,683)	(\$108,792)	(\$109,988)
Equipment and Expense	(\$40,137)	(\$1,766)	(\$1,801)
Total Costs – DOR	(\$251,260)	(\$259,201)	(\$263,404)
FTE Change – DOR	3 FTE	3 FTE	3 FTE
<u>Cost – DOLIR (§23.140) Additional staff time to estimate employee hours required for any new programs in legislation p.3</u>			
	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	Could exceed (\$251,260)	Could exceed (\$259,201)	Could exceed (\$263,404)
Estimated Net FTE Change to the General Revenue Fund	3 FTE	3 FTE	3 FTE

<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

This bill requires fiscal notes prepared by the Oversight Division of the Committee on Legislative Research to include an estimate of the employee hours required to implement any new program established in the legislation.

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 - Administrative Hearing Commission
Office of Administration-Budget and Planning
Office of Administration
Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Labor and Industrial Relations
Department of Natural Resources
Department of Social Services
Department of Corrections
Missouri Department of Transportation
Department of Revenue
Department of Public Safety
 Division of Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Office of the Director
 Missouri Gaming Commission
 Missouri Highway Patrol
 Missouri Veterans Commission
 State Emergency Management Agency
Office of the Governor
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri National Guard
MoDOT & Patrol Employees' Retirement System
Petroleum Storage Tank Insurance Fund
Office of the Secretary of State
Office of the State Public Defender

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Office of the State Treasurer
Office of the Lieutenant Governor
Office of the State Auditor
Missouri State Employee's Retirement System
Missouri House of Representatives
Joint Committee on Administrative Rules
Joint Committee on Public Employee Retirement
Legislative Research
Oversight Division
Missouri Senate
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
State Tax Commission
City of Kansas City
City of Springfield
Platte County Board of Elections
St. Louis County Board of Elections



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