

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4993H.011
 Bill No.: HB 2510
 Subject: Economic Development; Business and Commerce; Mining and Oil and Gas
 Production
 Type: Original
 Date: March 1, 2026

Bill Summary: This proposal establishes The Missouri Critical Minerals Development and Security Act and requires coordination between DNR, DED, and Dept. of Higher Education and Workforce Development.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	Could exceed (\$270,801)	Could exceed (\$294,062)	Could exceed (\$299,290)
Total Estimated Net Effect on General Revenue	Could exceed (\$270,801)	Could exceed (\$294,062)	Could exceed (\$299,290)

*Oversight reflects cost for necessary FTE for DED and potential fund transfers for grant awards as appropriated by the general assembly.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Missouri Critical Minerals Development and Security Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

*Transfers and distributions net to zero.

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	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 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 **Office of the Secretary of State** did not respond to **Oversight's** request for fiscal impact for this proposal.

§§256.900, 256.902, 256.904, 256.906, 256.908, and 256.910 - The Missouri Critical Minerals Development and Security Act

Officials from the **Department of Economic Development (DED)** assume 256.906.1 establishes the 'Missouri Critical Minerals Development and Security Program' in the Department of Economic Development. The department must coordinate with the Department of Natural Resources (DNR) for technical support and the Department of Higher Education and Workforce Development (DHEWD) for research and education.

256.906.3 The department must evaluate applications and administer grant awards. The uses of the grant will be (but not limited) the following activities: geological mapping, sampling, and exploration; feasibility studies, pilot-scale processing, and modernization; workforce and educational partnership development; advanced mining technology and reclamation improvements; and federal match leverage for Missouri projects.

256.906.4 states DED must consult with DHEWD and DNR in determining eligibility criteria, application contents, procedures, and timelines. DED shall award grants, in amounts determined by DED, to the following eligible applicants or entities: mining operators, mineral processors, advanced manufacturers providing advanced manufacturing, universities and research partnerships, local governments with critical material and critical mineral proposals, and public-private research and innovation collaborations.

256.906.5(2) allows money remaining in the fund at the end of the biennium to not revert back to GR.

256.908.1 authorizes DED to use targeted, performance-based incentives that are tied directly to critical materials and critical minerals development and are not open-ended incentives. The incentives apply to construction or expansion of critical mineral processing facilities, deployment of advanced manufacturing tied to critical minerals, technologies upgrades, reclamation innovation, and environmental compliance modernization, and workforce training tied to Missouri institutions.

256.910 Program sunsets five years after the effective date unless reauthorized by the general assembly and terminates September 1 of the calendar year immediately following sunset.

The legislation could potentially have a significant, but indeterminate impact to TSR and General Revenue without a cap outlined in the bill. Two FTE for program development, coordination and implementation.

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

Officials from the **Department of Natural Resources (DNR)** assume §256.904 establishes Missouri Critical Minerals Task Force within the Department of Natural Resources.

Personal service needs to perform administrative and technical support of this committee using general revenue include:

Administrative Support Professional G8 at 0.1 of \$49,816

Geologist Manager G14 at 0.1 of \$97,008

Geologist Supervisor G12 at 0.1 of \$75,336

Geologist G11 at 0.3 of \$78,651

Environmental Program Specialist at 0.1 of \$66,629

Personal Service and Fringe total for FY2027 on the 0.7 existing FTE = \$70,846.

Equipment and Expense total for FY2027 on the 0.70 existing FTE = \$1,977.

Functions include coordinating and overseeing administrative tasks related to the task force meetings, preparing documents, assembling information and preparing presentations and reports, preparing an annual report to the general assembly, and promulgating and coordinating rulemaking.

Oversight assumes DNR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DNR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DNR could request funding through the appropriation process.

Oversight notes that §256.906. 5 creates "Missouri Critical Minerals Development and Security Program Fund", which shall consist of an annual appropriation by the general assembly, any additional appropriations made by the general assembly, and any gifts, contributions, grants, or bequests received from federal, private, or other sources. The state treasurer shall be custodian of the fund.

Therefore, Oversight will reflect \$0 (no appropriation by the General Assembly) to an unknown transfer-out (if funds are appropriated) from General Revenue as well as the corresponding \$0 to an unknown transfer-in to the Missouri Critical Minerals Development and Security Program Fund.

Additionally, **Oversight** will reflect an \$0 or unknown amount of gifts, contributions, grants, or bequests received from federal, private, or other sources as revenue to the Fund.

Lastly, Oversight will reflect an unknown amount of grant expenditures as a cost to the Fund, contingent upon approval and awards to eligible Missouri companies. Oversight assumes the Fund will net to \$0 at the end of each fiscal year.

The **Oversight Division** is responsible for providing a Sunset Report pursuant to Section 23.253 RSMo; however, Oversight can absorb the cost with the current budget authority.

Officials from the **Missouri State Senate** anticipate a negative fiscal impact to reimburse one Senator for travel to Missouri Critical Minerals Task Force meetings. Details are in the attached analysis. In summary, it will cost approximately \$178.50 each time the task force meets. The Missouri State Senate assumes no fiscal responsibility for the other committee members.

Using an estimate provided by the Senate of \$178.50 of reimbursable expenses (travel, etc.) for 1 member per meeting the member will not incur the expense if already based where the meetings occur; however, it is possible that the member may incur more than estimated reimbursable expense. Therefore, Oversight assumes the expenses of the Commission will not reach a material threshold and will not reflect in the fiscal note.

Officials from the **Department of Higher Education and Workforce Development, Office of the State Treasurer, Joint Committee on Administrative Rules, and University of Missouri System** 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 these respective organizations.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DED (\$256.906.4) p.3-4</u>			
Personal Service	(\$144,520)	(\$176,892)	(\$180,430)
Fringe Benefits	(\$85,353)	(\$103,818)	(\$105,241)
Expense & Equipment	(\$40,928)	(\$13,352)	(\$13,619)
Total Costs – DED	(\$270,801)	(\$294,062)	(\$299,290)
FTE Change – DED	2 FTE	2 FTE	2 FTE
<u>Transfer-Out (\$256.906. 5) Into the Minerals Development and Security Program Fund p.4</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed (\$270,801)	Could exceed (\$294,062)	Could exceed (\$299,290)
Estimated Net FTE Change on General Revenue	2 FTE	2 FTE	2 FTE
MISSOURI CRITICAL MMINERALS DEVELOPMENT AND SECURITY PROGRAM FUND			
<u>Transfer-In (\$256.906.5) General Revenue p.4</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain (\$256.906.5) Gifts, contributions, grants, or bequests received from federal, private, or other sources p.4</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost – (\$256.906.3) Grant Awards p.4</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON MISSOURI CRITICAL MMINERALS DEVELOPMENT AND SECURITY PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</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

A direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill establishes the "Missouri Critical Minerals Development and Security Act", and creates Sections 256.900 to 256.910, RSMo.

The bill directs the Missouri Geological Survey within the Department of Natural Resources (DNR) to conduct statewide mapping and assessment of critical mineral resources and to coordinate with federal and state agencies as necessary.

The bill creates the "Missouri Critical Minerals Task Force" within DNR to develop a statewide strategy for critical minerals development. Membership requirements of the Task Force are detailed in the bill, including a member of the House of Representatives appointed by the Speaker of the House, and a member of the Senate appointed by the President Pro Tem, as well as representatives from state agencies, industry, and higher education. The Task Force duties are outlined in the bill including the requirement to submit an annual report to the General Assembly beginning December 1, 2027.

The bill establishes the "Missouri Critical Minerals Development and Security Program" within the Department of Economic Development and authorizes the Department to administer the Program, subject to appropriation. Eligible applicants include mining operators, mineral processors, advanced manufactures, universities and research partnerships, local governments, and public-private collaborations. Grant funds can be used for exploration, processing workforce development, research, modernization, and projects leveraging Federal matching funds.

Further, the bill creates the "Missouri Critical Minerals Development and Security Program Fund" within the State Treasury. Moneys in the Fund must not revert to General Revenue Fund and can be used only for purposes of the Program.

The bill authorizes the use of targeted, performance-based incentives related to critical minerals development and permits rulemaking subject to Chapter 536.

The provisions of this bill will sunset five years after the effective date unless reauthorized by the General Assembly.

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 Economic Development
Department of Higher Education and Workforce Development
Department of Natural Resources
Office of the State Treasurer
Joint Committee on Administrative Rules
Missouri House
Missouri Senate
Oversight Division



Julie Morff
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March 1, 2026



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March 1, 2026