

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5542S.03T
 Bill No.: Truly Agreed To and Finally Passed SCS for HB 2180
 Subject: Boards, Commissions, Committees, and Councils; Campaign Finance; State
 Departments; Taxation and Revenue - General
 Type: Original
 Date: May 29, 2026

Bill Summary: This proposal modifies provisions relating to mail sent by state entities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	Up to \$1,750,000	Up to \$2,100,000	Up to \$2,100,000
Total Estimated Net Effect on General Revenue	Up to \$1,750,000*	Up to \$2,100,000	Up to \$2,100,000

*Oversight notes the fiscal impact for FY 2027 is lesser because FY 2027 is a partial year (10 months).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Blind Pension Fund (1621)	Up to \$161,517	Up to \$193,820	Up to \$193,820
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$161,517*	Up to \$193,820	Up to \$193,820

*Oversight notes the fiscal impact for FY 2027 is lesser because FY 2027 is a partial year (10 months).

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

§§32.058 & 143.611 - DOR Notice of Assessment Notices

Officials from the **Department of Revenue (DOR)** assume currently, per statutes, DOR is required to mail by certified mail, the Notice of Assessment Letter to a taxpayer about a problem with their tax return. DOR is finding that a majority of these certified Notice of Assessments are being returned to DOR unclaimed.

The Notice of Assessment is sent to a taxpayer at their last known address to inform them that they have:

- Failed to file a tax return that is owed,
- Filed a return in which they have incorrectly reported the tax owed, or
- Failed to pay the tax amount due.

Certified mail requires a person to sign for the mail before it can be given to them. Should the postal employee not be able to get a signature upon delivery, they leave a notice informing the person they have certified mail, and they must come to the post office to sign for it. The problem is that postal offices are open limited number of hours a day, for the person to retrieve their certified mail. Usually, the same business hours that the person is working.

In FY 2025, approximately 42% of these certified Notice of Assessment letters were returned to DOR unclaimed costing the department \$906,936. As of July 2025, a certified notice cost \$5.30 more than a letter sent regular first-class mail. The Department spent about \$2,241,070 in postage to send 411,876 of these Notice of Assessment letters by certified mail in FY 2025. (It should be noted the postage rate is expected to rise each January and July for the next couple of years).

This proposal is removing the certified mail notice requirement if a taxpayer elects to have their notices delivered electronically. This proposal would also allow taxpayers to have their notices sent regular first-class mail or if they elect to have it electronically delivered. Additional other notices will be allowed to be delivered by mail also.

The Department is not able to estimate the number of taxpayers that will opt-in to receive notices electronically. However, if all choose to receive their notice electronically DOR will save \$2.1 million in certified mail expenses. DOR will assume this proposal will result in a savings to general revenue of Up to \$2.1 million annually.

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

§105.963 – Mailings of Campaign Disclosure Reports; Assessments of Financial Interest Statements

Officials from the **Missouri Ethics Commission** 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.

§209.030 - Mail Requirements for Blind Pension Participants

Officials from the **Department of Social Services, Family Support Division (DSS/FSD)** state the following effective 8/28/2018 for BP certified mailing. DSS used the total cost of FAMIS certified mailing for SFY2019 to average the mailing cost per mailing. The average cost was then applied to the monthly mailings tracked for BP, MRT, and FAMIS to gather the total annual costs of certified mail to BP participants.

Month	Blind Pension (BP)	Medical Review Team (MRT)	Family Assistance Management Information System (FAMIS)	Total Pieces
Aug-18	323	8	-	331
Sep-18	837	199	60	1,096
Oct-18	985	151	3,946	5,082
Nov-18	576	124	1,326	2,026
Dec-18	507	139	1,171	1,817
Jan-19	674	70	1,515	2,259
Feb-19	503	155	1,083	1,741
Mar-19	632	178	1,107	1,917
Apr-19	661	127	1,429	2,217
May-19	451	152	932	1,535
Jun-19	510	109	1,001	1,620
Total:	6,659	1,412	13,570	21,641

Certified Mail Cost Effective July 2025	\$10.44
Total Costs for Certified Mailing	\$225,932
Total Costs for Adverse Actions	\$16,098
Total Cost of Mailing first class mail	\$16,014
Total cost avoidance	\$193,820

Oversight notes the Blind Pension program receives no federal funds. DSS assumes savings from a reduction in certified mail costs (administrative activity) will be redirected to other

activities. Oversight will show the estimated savings provided by DSS/FSD to the Blind Pension Fund. Oversight notes subsection 209.030.3 was added in 2018 with HCS/HB 2171. Oversight will reflect the potential savings to the Blind Pension Fund of “Up to \$193,820”.

Responses regarding the proposed legislation as a whole

Officials from the **Administrative Hearing Commission, Platte County Board of Elections, St. Louis County Board of Elections, and Office of the State Courts Administrator** 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.

In response to a previous version, officials from **the Office of Administration - Budget and Planning** 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.

In response to a previous version, officials from the **St. Louis City Board of Elections and St. Louis County Board of Elections** 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local election authorities 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>Savings</u> – DOR (§143.611) Savings on Notice of Assessment certified mail costs p.4	Up to <u>\$1,750,000</u>	Up to <u>\$2,100,000</u>	Up to <u>\$2,100,000</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	Up to <u>\$1,750,000</u>	Up to <u>\$2,100,000</u>	Up to <u>\$2,100,000</u>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
BLIND PENSION FUND			
<u>Savings</u> – DSS/FSD (§209.030) Savings on Blind Pension certified mail costs p.4	<u>Up to \$161,517</u>	<u>Up to \$193,820</u>	<u>Up to \$193,820</u>
ESTIMATED NET EFFECT ON THE BLIND PENSION FUND	<u>Up to \$161,517</u>	<u>Up to \$193,820</u>	<u>Up to \$193,820</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

This bill allows the Department of Revenue to choose to mail any document by first class mail to the intended recipient's last known address in lieu of certified mail or registered mail. The delivery of a document using email, an encrypted electronic message, or both can also satisfy any obligation of the Department to send the document by certified mail, registered mail, or any other method.

The bill provides that, in any action before the Administrative Hearing Commission or a court, the Department bears the burden of proving the date any document was sent to a taxpayer's last known address. The period of time within which a taxpayer may appeal or respond to the notice will begin on the date the document is sent. This will not apply if the taxpayer fails to update the Department with a new address within 30 days of a change of address.

This bill removes a requirement that notices of assessments by the Executive Director of the Ethics Commission be sent by mail or registered mail.

Currently, a notice of deficiency from the Department must be sent via certified or registered mail. This bill allows the Department to send the notice of deficiency by first-class mail or electronically at the taxpayer's request.

The bill removes a requirement that any notice sent to an applicant or recipient of the blind pension fund must be sent by certified mail. Instead, the bill allows the notice to be sent by mail delivered by the United States Postal Service, except that, for any notice of adverse actions, as specified in the bill, the notice must also be sent by certified mail delivered by the USPS at the applicant's or recipient's address of record.

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 Revenue
Office of Administration - Administrative Hearing Commission
Department of Social Services
Missouri Ethics Commission
Office of the State Courts Administrator
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Platte County Board of Elections



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