

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6056H.011
 Bill No.: HB 3090
 Subject: Treasurer, State; General Assembly
 Type: Original
 Date: February 16, 2026

Bill Summary: This proposal modifies provisions for funds reverting to the general revenue.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	More or Less than \$7,659,086	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue	More or Less than \$7,659,086	\$0 or Unknown	\$0 or Unknown

*Oversight notes the impact results from the proposal requiring any remaining moneys in thirteen various state funds to be swept into the General Revenue Fund.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Various State Funds*	More or Less than (\$7,454,054)	\$0	\$0 or (Unknown)
Confederate Memorial Park Endowment Trust Fund (1812)*	More or Less than (\$205,032)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	More or Less than (\$7,659,086)	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight notes this proposal requires any remaining moneys in the thirteen various state funds to be swept into the General Revenue Fund.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Federal Funds	More or Less than (\$8,988,814)	\$0	\$0 or (Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	More or Less than (\$8,988,814)	\$0	\$0 or (Unknown)

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

§§8.900, 33.082, 109.005, 161.410, 191.905, 210.102, 253.092, 253.120, 261.275, 265.180, 348.409, 444.810, 640.740, and 700.041 – Funds in the State Treasury

In response to similar legislation, SB 1127 (2026), officials from the **Office of Administration-Budget and Planning (B&P)** assumed while this would have no impact on total state revenues, this legislation may impact general revenue no earlier than Fiscal Year 2027.

This legislation would either remove various funds' exemption from the biennial fund sweep into the general revenue fund or would establish language that requires fund balances be transferred into the general revenue fund. If this legislation goes into effect on August 28, 2026, the next scheduled biennial sweep will take place at the close of Fiscal Year 2027; therefore, fund balance estimates may vary. This legislation would have no impact on total state revenues but could positively impact the general revenue fund by as much as \$7,419,772 based on the most recent fund financial summaries for each fund.

This legislation would also require the State Treasurer to submit an annual report each December 31st, detailing each fund within the State Treasury that did not make a disbursement during the previous five-year period ending on June 30th each year, and whether any moneys from such funds were transferred to the general revenue fund.

Section 8.900 establishes the Workers Memorial Fund which is administered by the Office of Administration. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$127,365.

Section 109.005 establishes the State Document Preservation Fund which is administered by the Secretary of State's Office. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$9,826.

Section 161.410 establishes the Missouri Commission for the Deaf and Hard of Hearing Fund which is administered by the Department of Elementary and Secondary Education. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$21,204.

Section 191.905 establishes the MO HealthNet Fraud Reimbursement Fund which is administered by the Department of Social Services. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$0.

Section 210.102 establishes the Coordinating Board for Early Childhood Fund which is administered by the Department of Social Services. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$114.

Section 253.092 establishes the Arrow Rock State Historic Site Endowment Fund which is administered by the Department of Natural Resources. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$33,012.

Section 253.120 establishes the Confederate Memorial Park Endowment Fund which is administered by the Department of Natural Resources. This legislation would require monies remaining in the fund as of June 30, 2027 to be transferred into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$205,032.

Section 261.275 establishes the Missouri Dairy Industry Revitalization Fund which is administered by the Department of Agriculture. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$5,197.

Section 265.180 establishes the Apple Merchandising Fund which is administered by the Department of Agriculture. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$21,331.

Section 348.409 establishes the Agricultural Product Utilization and Business Development Loan Guarantee Fund which is administered by the Department of Agriculture. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$19,369.

Section 444.810 establishes the Abandoned Mine Reclamation Fund which is administered by the Department of Natural Resources. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$6,337,755.

Section 640.740 establishes the Concentrated Animal Feeding Operation Indemnity Fund which is administered by the Department of Natural Resources. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$587,128.

Section 700.041 establishes the Manufactured Housing Consumer Recovery Fund which is

administered by the Department of Commerce and Insurance. This legislation would remove the fund's exemption from the biennial fund sweep into the general revenue fund. As of January 2026, the final ending cash balance for this fund at the end of Fiscal Year 2025 is \$52,439.

Officials from the **Department of Natural Resources (DNR)** assume the sweep of this long-term reclamation fund would suspend any active reclamation activities across the State of Missouri as well as the Land Reclamation Program's opportunity to apply and receive any future federal grants under SMCRA Section 401(a) in order to continue Missouri's approved program through 2035 which is equivalent to 12 additional grant opportunities.

Current Federal grant opportunities combining both Fee-based and IJA (Infrastructure Investment and Jobs Act) based funds for Missouri's AML program total \$8,687,814 annually. Missouri would not have the opportunity to apply for an additional \$104,253,768 of federal funding, of that amount an estimated \$22,000,000 that could be deposited in Missouri's long-term Abandoned Mine Reclamation fund. These funds as stipulated in SMCRA can only be specifically used for the long-term operation and maintenance of acid mine drainage treatment systems, underground mine fire projects, and mine subsidence reclamation throughout the State of Missouri.

It should be noted, dedicated abandoned mine land grant funding from the Department of the Interior also allows the program to utilize a portion of awarded fee-based grants to address emergency mine related vertical openings that has the potential to affect the public's health and safety and the only funds available to be used to reclaim hazardous abandoned coal mines across the State of Missouri.

It should be noted an emergency opening can create significant subsidence features ranging from minor to severe, if Missouri loses federal funding the state also loses the sole source of funding currently utilized to address these types of emergency issues. Fiscal impact would be the funds in the Concentrated Animal Feeding Operation Indemnity Fund in the amount of \$583,601.

The proposed change in section 444.810.1 subsection 11 of this bill reverts any unexpended funds in the Abandoned Mine Reclamation Fund to the general revenue fund instead of remaining in the Abandoned Mine Reclamation Fund. The monies in this fund are designated and are not meant to be used every year.

The Federally funded fee-based program set-aside funds are deposited into the Abandoned Mine Land Reclamation fund and can only be used for purposes called out in SMCRA. 30 U.S.C. §1231a section 402(6)(A) Any State with an approved abandoned mine reclamation program pursuant to section 405 may receive and retain, without regard to the 3-year limitation referred to in paragraph (1)(D), up to 30 percent of the total of the grants made annually to the State under paragraphs (1) and (5) if those amounts are deposited into an acid mine drainage abatement and treatment fund established under State law, from which amounts (together with all interest earned on the amounts) are expended by the State for the abatement of the causes and the treatment of the effects of acid mine drainage in a comprehensive manner within qualified

hydrologic units affected by coal mining practices. Federal statutes allow Missouri to set aside up to 30% of the fee-base grant amount. Missouri's plan allows 10% of the fee-base grant to be placed in set aside. These funds are intended to sustain Missouri's ability to render safe vertical mine related openings, hazards and maintain acid treatment systems currently in place to protect the surface and ground water from the residual effects of legacy coal mining.

The Consolidated Appropriations Act, 2023, Public Law 117-328 amended section 40701 of the Bipartisan Infrastructure Law (BIL – now referred to as Infrastructure Investment and Jobs Act (IIJA) to authorize eligible States and Tribes to deposit up to 30 percent of their annual IIJA abandoned mine land (AML) grant amount in a long-term AML reclamation fund established under State or Tribal law. 30 U.S.C. § 1231a(c)(2). Pursuant to the Consolidated Appropriations Act, 2023 there are terms and conditions accompanying those grants that states federal money deposited into Missouri's Abandoned Mine Reclamation Fund with all interest earned can only be used for the purposes of the law: the abatement of the causes and the treatment of the effects of acid mine drainage (AMD) resulting from coal mining practices, including for the costs of building, operating, maintaining, and rehabilitating AMD treatment systems; the prevention, abatement, and control of subsidence; or the prevention, abatement, and control of coal mine fires with no time limit.

As a comparison, similar legislation to Missouri's proposed SB 1127, that resulted in federal AML grant funds being swept was previously proposed and passed twice in the State of Illinois and then rescinded both times when the Department of Interior suspended all funding for both the State of Illinois' coal mine regulatory and abandoned mine land operations which jeopardized the state's approved program under their federal agreement.

Violating the terms of cooperative agreements, Public Law 95-87 specifically sections 401, 403, 405, 410, and 30 U.S.C. §1231a that governs federal set-aside funds to be placed in a state's abandoned mine reclamation fund for future use in addressing long term issues in Missouri for acid mine drainage, underground mine fires, and coal mine subsidence may also result in litigation by the Department of Interior to reclaim all federal funding from Missouri.

The net result would not only be the loss of the amount currently in the fund it will also cost Missouri taxpayers the expense of any federal litigation as the Department of Interior is obligated to reclaim those misused funds as being in direct violation of federal Public Law 95-87 and 30 U.S.C. §1231a.

This action will immediately cause the Department of Interior to suspend all funding in support of the abandoned mine land and coal regulatory staff which is a loss of 10.9 FTEs.

Regarding section 253.120 2. "Notwithstanding any provision of law to the contrary, any moneys remaining in the endowment fund as of June 30, 2027, shall be transferred to the general revenue fund pursuant to section 33.080." the Added language transfers cash to General Revenue from the Confederate endowment fund: Per Oct form 9 submission:
Fund 0812 ending cash balance = (\$216,104) negative to the fund

General Revenue = \$216,104 positive

Regarding Concentrated Operating, at section 640.740, the bill proposes to delete the section that would prevent any funds to revert to the general revenue fund at the end of the appropriation period.

Sections 640.745 and 640.747 as they currently are written provide that once these concentrated feeding operations have been closed properly, all money is to be returned to the operations. This would no longer happen with the proposed language. Fiscal impact would be the funds in the Concentrated Animal Feeding Operation Indemnity Fund in the amount of \$583,601.

640.745. Fee to be paid by facility owner/operator, when, amount — fund expended, how, limit — closure activities. — 1. The owner or operator of each class IA concentrated animal feeding operation utilizing flush systems shall remit to the department of natural resources a fee of ten cents per animal unit permitted to be deposited in the fund. The fee is due and payable to the department on the first anniversary of issuance of each owner or operator permit to operate such a facility and for nine years thereafter on the same date. The department of natural resources shall provide forms which such owner or operator shall use to file and pay this fee.

640.747. Closure, funds to be returned, when. — In the event the department determines that a class IA, class IB, class IC or class II concentrated animal feeding operation has been successfully closed by the owner or operator, all moneys paid by such operation into the concentrated animal feeding operation indemnity fund shall be returned to such operation.

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

Officials from the **Department of Commerce and Insurance (DCI)** assume the deletion of §700.041.3 will mean that all revenues in the fund will now be subject to being transferred to the general revenue fund under Sec. 33.080. RSMo every two years. This will mean that once this occurs every two years there will not be any money available to compensate any manufactured homeowners under this section for manufactured home consumer recovery funds until money is again built up in the fund as the next 2 years progresses and the lack of funds will be repeated again at the end of the next two-year period. DCI assumes there will be a revenue loss of \$53,208 in FY 2027 and unknown in future years.

Officials from the **Missouri Department of Agriculture (MDA)** assume there will be an increase to General Revenue of \$47,992.64.

§265.180 – Apple Merchandising Fund (1615) is used for depositing apple-check off remittances from Missouri orchards which then are used by the Missouri Apple Merchandising Council to educate and promote Missouri grown apples to consumers. By transferring these funds collected from Missouri orchards to the general revenue fund, the legalization will deny apple growers the

use of designated funds for education and promotion of their product. The fund would have a loss of \$23,163.41.

§261.275 – Missouri Dairy Industry Revitalization Fund (1414) would have a loss of \$5,252.44.

§348.409 – Agriculture Product Utilization and Business Development Loan Guarantee Fund (1411) would have a loss of \$19,576.79.

Officials from the **Office of the State Treasurer (STO)** assume the proposal will have a potential, relatively small, impact but uncertain of what division - This bill does modify numerous funds by removing the section that states unused funds are not to be credited to General Revenue. The potential impact comes from the addition of a section that tasks the State Treasurer's Office with creating a report to submit to the General Assembly that details every fund in the State Treasury in which a disbursement has not been made in the last five years and whether or not those unused funds have been transferred to General Revenue. This would require extra work on a yearly basis for whichever person is tasked to do it.

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

Oversight notes this proposal would remove the fund's exemption from the biennial fund sweep into the general revenue fund. Per **BAP**, if this legislation goes into effect on August 28, 2026, the next scheduled biennial sweep will take place at the close of Fiscal Year 2027. Oversight has listed the balance of these funds below according to the Fiscal Year End Fund report found on STO's website:

§8.900 – Workers Memorial Fund (0895) - **\$127,365.21**
§109.005 – State Document Preservation Fund (0836) - **\$9,825.70**
§161.410 – Missouri Commission for the Deaf and Hard of Hearing Fund (0743) - **\$2,694.47**
§191.905 – MO Healthnet Fraud Prosecution Revolving Fund (0252) - **\$257,823.24**
§210.102 – Coordinating Board for Early Childhood Fund (0773) - **\$114.48**
§253.092 – Arrow Rock State Historic Site Endowment Fund (0800) - **\$33,011.91**
§261.275 - Missouri Dairy Industry Revitalization Fund (0414) - **\$5,196.76**
§265.180 - Apple Merchandising Fund (0615) - **\$21,330.76**
§348.409 - Agricultural Product Utilization and Business Development Loan Guarantee Fund (0411) - **\$19,369.24**
§444.810 - Abandoned Mine Reclamation Fund (0697) - **\$6,337,755.32**
§640.740 - Concentrated Animal Feeding Operation Indemnity Fund (0834) - **\$587,128.30**
§700.041 - Manufactured Housing Consumer Recovery Fund (0909) - **\$52,439.03**

Therefore, **Oversight** has reflected a transfer out of more or less than the current balance (\$7,454,054) of these funds to general revenue in FY 2027.

Oversight notes that the proposal states that as of June 30, 2027, any monies remaining in the following fund shall be transferred to the general revenue fund. Oversight has listed the balance of this fund below according to the Fiscal Year End Fund report found on STO's website:

§253.120 - Confederate Memorial Park Endowment Fund (0812) - **\$205,031.53**

Therefore, **Oversight** has reflected a transfer out of more or less than the current balance of this fund to general revenue in FY 2027 and zero or unknown in FY 2028 and FY 2029.

Officials from the **Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Mental Health, Department of Social Services, Missouri Department of Conservation, and University of Missouri** 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 similar legislation, SB 1127 (2026), officials from the **Attorney General's Office** and **Department of Labor and Industrial Relations** assumed 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.

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
GENERAL REVENUE			
<u>Transfer In</u> – from Various State Funds Remaining moneys in multiple funds to be swept into General Revenue p.8	More or Less than \$7,454,054	\$0	\$0 or Unknown
<u>Transfer In</u> – from Confederate Memorial - Remaining moneys to be swept into General Revenue p.8	More or Less than \$205,032	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	More or Less than \$7,659,086	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
CONFEDERATE MEMORIAL PARK ENDOWMENT FUND (0812)			
<u>Transfer Out</u> - Remaining moneys to be swept into General Revenue p.8	More or Less than (\$205,032)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON THE CONFEDERATE MEMORIAL PARK ENDOWMENT FUND (0812)	More or Less than (\$205,032)	\$0 or (Unknown)	\$0 or (Unknown)
VARIOUS STATE FUNDS			
<u>Transfer Out</u> - Remaining moneys in multiple funds to be swept into General Revenue p.8	More or Less than (\$7,454,054)	\$0	\$0 or (Unknown)
ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS	More or Less than (\$7,454,054)	\$0	\$0 or (Unknown)

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
FEDERAL FUNDS			
<u>Loss – DNR – federal funding under Public law 95-87 for abandon mine land reclamation p.5-7</u>	More or Less than <u>(\$8,988,814)</u>	<u>\$0</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	More or Less than <u>(\$8,988,814)</u>	<u>\$0</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

The proposal will impact Missouri’s small businesses that play a large role in successfully completing reclamation work on projects across the state using federal funds. Local small businesses supply fuel, seed, equipment, labor, fertilizer, agricultural-lime, various sizes of limestone rock, concrete, pipes, straw bales, and other materials needed to return these sites to productive land use.

FISCAL DESCRIPTION

Currently, moneys in each fund in the State Treasury are transferred to the General Revenue Fund at the end of each twoyear period unless subject to a statutory or constitutional exception.

This bill removes exceptions for the following funds. The remaining moneys in such funds must be transferred to the General Revenue Fund at the end of each two-year period:

- (1) The Workers Memorial Fund; (2) The State Document Preservation Fund; (3) The Missouri Commission for the Deaf and Hard of Hearing Fund; (4) The MO HealthNet Fraud Prosecution Revolving Fund; (5) The Coordinating Board for Early Childhood Fund; (6) The Missouri Dairy Industry Revitalization Fund; (7) The Apple Merchandising Fund; (8) The Agricultural Product Utilization and Business Development Loan Guarantee Fund; (9) The Abandoned Mine Reclamation Fund; (10) The Concentrated Animal Feeding Operation Indemnity Fund; and (11) The Manufactured Housing Consumer Recovery Fund.

Currently, funds appropriated, but not expended by the end of the fiscal year, revert to the Arrow Rock State historic Site Endowment Fund instead of the General Revenue Fund.

The bill repeals this exception.

This bill requires that any moneys in the Confederate Memorial Park Endowment Fund be transferred to the General Revenue Fund on June 30, 2027.

The bill requires the State Treasurer to submit an annual report to the General Assembly detailing each fund in the Treasury from which no disbursements have been made for the five-year period ending June 30th of the year the report is submitted, and whether or not any remaining moneys in such funds have been transferred to the General Revenue Fund.

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

Attorney General's Office
Office of Administration-Budget and Planning
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Labor and Industrial Relations
Department of Social Services
Missouri Department of Agriculture
Missouri Department of Conservation
Office of the Secretary of State
Office of the State Treasurer
University of Missouri System



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