

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6308H.03P
 Bill No.: Perfected HCS for HB 2536
 Subject: Minorities; Public Buildings; Civil Penalties
 Type: Original
 Date: April 16, 2026

Bill Summary: This proposal establishes definitions and provisions for the protection of women.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Potential DOC costs assumed to be greater than \$250,000 annually.

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
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 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

*Potential cost for increased enforcement of regulations.

FISCAL ANALYSIS

ASSUMPTION

§§1.020, 8.671, 8.672, 8.673, and 163.048 – Definitions and Provisions for the Protection of Women as Amended by House Amendment 1

In response to the previous version of this proposal, officials from the **Office of the State Courts Administrator (OSCA)** stated HCS HB 2536 may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Department of Corrections (DOC)** state this proposal establishes definitions and provisions for the protection of women.

Section 8.672 is created, stipulating every multi-occupancy restroom, changing room, or sleeping quarters within a covered entity (of which Corrections is listed) shall be designated for females or males and shall only be used by members of that sex, as sex is defined within the legislation. No individual shall enter a restroom or changing room that is designated for females or males unless he or she is a member of that sex, as sex is defined within the legislation.

The DOC assumes the creation of this section may result in increased litigation from both the offender population and employees. The department has no way to estimate the number of potential lawsuits, therefore, the department projects a \$0-unknown cost for this legislation. The department estimates the cost would exceed \$250,000.

Oversight notes that in response to the previous version of this proposal, DOC officials state that operationally, this legislation poses several significant challenges. All 19 Division of Adult Institutions (DAIs), all 6 Probation and Parole (P&P) CSC's (Community Supervision Centers) and both Transition Centers have multi-occupancy sleeping quarters under the definition in this legislation. Under this legislation, the department could not employ females to work in DOC's men's housing units or men to work in the female housing units. The DOC's custody staff is currently composed of 27% female and 73% male.

At the present time DOC officials provided that currently, approximately 7,173 employees work in the DAI facilities, 144 P&P staff work in the CSCs and approximately 205 P&P employees work in the Transition Centers. Therefore, a total of 7,522 DOC employees could be impacted by this legislation. For fiscal note purposes, Oversight assumes DOC's costs could exceed \$250,000 annually.

In response to a previous version, **Oversight** contacted the Office of Administration (OA) and inquired about the possibility of a fiscal impact to General Services regarding DOC's litigation concerns. OA officials stated the General Services Division indicated the proposal would not have fiscal impact on their organization/operations. Oversight notes OA's response to this fiscal impact request did not change (no impact) from the prior version's response. However, based on the response from DOC, Oversight assumes the possibility of costs related to increased litigation could exceed \$250,000.

Officials from the **Department of Mental Health (DMH)** defer to the **Office of Administration – Facilities Management, Design and Construction (FMDC)** for a statement on fiscal impact for this legislation. DMH would have to work with FMDC to make sure its spaces comply with the proposal.

Oversight contacted the Office of Administration (OA) and inquired about the possibility of costs associated with DMH having to make sure its spaces comply with the provisions of the proposal. OA officials stated FMDC indicated the proposal would not have fiscal impact on their organization/operations. Therefore, Oversight assumes the possibility of significant costs related to making sure DMH spaces comply with the proposal will be minimal.

Officials from the **City of Kansas City** state the proposed legislation will have a negative fiscal impact of an indeterminate amount.

Officials from the **University of Central Missouri** state this proposal has an indeterminate fiscal impact due to increases in costs associated with enforcements of the regulations.

Oversight has no information to the contrary. Due to the limited number of responses from local governments, Oversight will present a \$0 or (Unknown) cost to local governments.

In response to the previous version of this proposal, officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Eastern Clay Ambulance District** state the proposal would have an impact on their organization but did not provide any additional information. Therefore, **Oversight** assumes any impact incurred by the ambulance district is minimal and absorbable within current funding levels.

Officials from the **Department of Commerce and Insurance, Office of Administration - Administrative Hearing Commission, 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 Natural Resources, Department of Revenue, Department of Public Safety, Divisions of: Director's Office, Missouri Highway Patrol, and State Emergency Management Agency, Department of Social Services, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Department of Transportation, MoDOT & Patrol Employees' Retirement System, Office of the State Treasurer, Platte County Election Board, St. Louis County Election Board, Phelps County Sheriff, Branson Police Department, Kansas City Police Department, County Employees Retirement Fund, Public Education Employees' Retirement System, Sheriff's Retirement System, Office of the Lieutenant Governor, Office of the State Auditor, Joint Committee on Public Employee Retirement, Legislative Research, Oversight Division, Newton County Health Department, St. Louis City Assessor, Metropolitan St. Louis Sewer District, South River Drainage District, Wayne County Public Water Supply District #2, Missouri Senate, Missouri Lottery, Missouri Consolidated Health Care Plan, Missouri State Employee's Retirement System, 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.

In response to the previous version of this proposal, officials from the **Department of Labor and Industrial Relations, Department of Public Safety, Divisions of: Alcohol and Tobacco Control, Capitol Police, Fire Safety, Gaming Commission, and Veterans Commission, Missouri Ethics Commission, Missouri National Guard, Office of Administration, Petroleum Storage Tank Insurance Fund, University of Missouri System, St. Louis City Election Board, Northwest Missouri State University and Missouri House of Representatives** each assumed the proposal would 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, HB 2536 (2026), officials from the **Office of the State Public Defender, Kansas City Civilian Police Employees' Retirement, Kansas City Police Retirement System, and Rolling Hills Consolidated Library** each assumed the proposal would not have a 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, local election authorities, various county officials, local public health departments, nursing homes, police and sheriff’s departments, fire protection districts, ambulance and EMS, retirement, schools/charter schools, utilities, hospitals colleges and universities, electric companies and coops, solid waste management districts and public libraries 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.

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.

In response to the previous version, officials from the **Office of the Secretary of State (SOS)** noted 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>Cost – DOC (§8.672) Potential increase in costs p.3-4</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost – OSCA (§§1.020, 8.671, 8.672, 8.673, & 163.048) Potential increase in costs p.3</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – Local Political Subdivisions</u> (§§1.020, 8.671, 8.672, 8.673, & 163.048) Potential increase in costs to enforce regulations p.4	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</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 adds definitions for "female", "male", and "sex" to a section of existing statutory definitions.

Additionally, the bill provides that a "covered entity", defined to include correctional centers, juvenile detention facilities, public buildings, public elementary and high schools, shelters for victims of domestic violence, and state institutions of higher education, is required to designate each multi-occupancy restroom, changing room, and sleeping quarters for the exclusive use of males or females. Every restroom or changing room within a covered entity that is designated for females or males must only be used by members of that sex, with certain exceptions, specified in the bill.

The provisions of this bill will not apply to an individual who enters a restroom or changing room designated for the opposite sex in the following circumstances:

- (1) To perform custodial, maintenance, or licensed inspection duties;
- (2) To render medical assistance;
- (3) To render assistance by law enforcement;
- (4) To provide aid in a natural disaster, emergency, or to prevent serious threat to order and safety;
- (5) To provide coaching or athletic training during athletic events, if no other space is available for the team; or
- (6) To perform the official duties of a public safety officer.

During any activity or event authorized by a school or state institution of higher education where students share sleeping quarters, no student is permitted to share sleeping quarters with a member of the opposite sex, unless such persons are members of the same family. Additionally, in any other facility or setting in a school or state institution of higher education where a person may be in a state of undress in the presence of others, school personnel must provide separate, private areas designated for use by persons based on their sex, and no person is permitted to enter these private areas unless he or she is a member of the designated sex. A state institution of higher education that offers housing for students must provide students the option to be housed only in a single-sex educational housing space with persons of the same sex.

An individual who, while accessing a restroom or changing room designated for use by their sex, encounters a person of the opposite sex in that restroom or changing room has a private cause of action for declaratory and injunctive relief against the covered entity if the covered entity:

- (1) Provided the person permission to use a restroom or changing room of the opposite sex;
or
- (2) Failed to take reasonable steps to prohibit the person of the opposite sex from using the restroom or changing room of the opposite sex.

An individual who is required by the covered entity to share sleeping quarters with a person of the opposite sex has a private cause of action for declaratory and injunctive relief against the covered entity. All civil actions brought pursuant to this section must be initiated within two years after the violation occurred.

Additionally, current law prohibits any student from competing in an athletic competition that is designated for the biological sex opposite to the student's biological sex as stated on the student's official birth certificate or other government record. This provision is set to expire on August 28, 2027; this bill removes that expiration.

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
 Administrative Hearing Commission
 Budget and Planning
 Facilities Management, Design and Construction
 General Services
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 Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
 Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Director's Office
 Gaming Commission
 Missouri Highway Patrol
 Veterans Commission
 State Emergency Management Agency
Department of Social Services
Office of the Governor
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri Department of Transportation
Missouri National Guard
MoDOT & Patrol Employees' Retirement System
Office of Administration
Office of the State Courts Administrator
Petroleum Storage Tank Insurance Fund
Office of the Secretary of State
Office of the State Public Defender
Office of the State Treasurer
University of Missouri System
City of Kansas City
Platte County Election Board
St. Louis Election Board
St. Louis County Election Board
Newton County Health Department
St. Louis City Assessor
Phelps County Sheriff
Branson Police Department
Kansas City Police Department
Eastern Clay Ambulance District
County Employees Retirement Fund
Kansas City Civilian Police Employees' Retirement
Kansas City Police Retirement System
Public Education Employees' Retirement System

Sheriff's Retirement System
Metropolitan St. Louis Sewer District
South River Drainage District
Wayne County Public Water Supply District #2
Northwest Missouri State University
University of Central Missouri
Office of the Lieutenant Governor
Office of the State Auditor
Missouri House of Representatives
Joint Committee on Administrative Rules
Joint Committee on Public Employee Retirement
Legislative Research
Oversight Division
Missouri Senate
Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri State Employee's Retirement System
State Tax Commission
Rolling Hills Consolidated Library

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