

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6846H.02C
 Bill No.: HCS for HB 3157
 Subject: Food; Health, Public
 Type: Original
 Date: March 25, 2026

Bill Summary: This proposal creates provisions relating to licensing of mobile food vendors.

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)

*Oversight assumes the unknown costs to courts to be less than \$250,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Missouri Public Health Services Fund (1298)*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Revenue and expenses 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 DHSS	10 FTE	10 FTE	10 FTE
Total Estimated Net Effect on FTE	10 FTE	10 FTE	10 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 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§196.3070 - 196.3112 – Licensing of Mobile Food Vendors

Officials from the **Department of Health and Senior Services (DHSS)** assume the following:

Section 196.3079 of the proposed legislation requires the department to develop an application process for mobile food vendors, including a guide for mobile food vendor licensing procedures.

Section 196.3082 of the proposed legislation requires the department to conduct health inspection of every mobile food unit seeking a license within 14 days of receiving application.

Section 196.3085 of the proposed legislation requires the department to issue mobile food vendor license who meet the application requirements, pay applicable fees, and pass health inspection.

Section 196.3097 of the proposed legislation requires the department to establish by rule a classification schedule for mobile food vendors.

Section 196.3100 of the proposed legislation requires the department to conduct ongoing randomized inspection are mobile food vendors based on classification schedule.

Section 196.3112 of the proposed legislation allows the department to adopt rules to implement section 196.3070-196.3112.

The proposed legislation seeks to create a Department of Health and Senior Services (DHSS)mobile food establishment license. Many mobile food establishment vendors operate in several sites throughout the year, attending fairs, festivals, and events as well as operating in other locations. Currently a mobile food vendor must get a separate license/permit when required from each local health agency. This statewide license, once obtained, would allow a mobile food vendor to travel anywhere within Missouri and operate without being required to obtain individual local health agency licenses.

The Bureau of Environmental Health Services (BEHS) oversees food safety operations for the department. Based on a recent survey of local health agencies, there are approximately 4,000 mobile food establishments operating in Missouri. The Department assumes most, if not all, mobile food establishments would apply for a statewide license. Licensing and maintaining the supporting documentation for these facilities will need the support of a Public Health Environmental Officer, 1.0 FTE at \$67,294 per year. Conducting the required initial and ongoing inspections of these units will require 5.0 Public Health Environmental Specialists, new FTE at \$73,788 per year. Management of the program, along with development of the required application process as well as rules and regulations, will require the experience of an Environmental Program Supervisor, 1.0 FTE at \$93,931 per year. The Public Health

Environmental Specialists will be remote positions requiring extensive travel, while the Public Health Environmental Officer and Environmental Program Supervisor will be based in the Jefferson City office.

The Department maintains contracts with Local Public Health Agencies (LPHAs) to conduct annual inspections of licensed childcare facilities. DHSS currently reimburses a local public health agency (LPHA) on a per inspection basis, with annual inspections being reimbursed at \$125 per inspection. 4,000 annual inspections at \$125 per inspection results in a need of \$500,000 for LPHA contract payments.

The bureau uses an electronic inspection and data management system to house and maintain its programmatic inspections. A new system would need to be developed and maintained for the Mobile Food Establishment Licensing and Inspection Program. Based on recent system builds, a system of this nature will have a developmental cost of \$300,000 with an annual maintain fee of \$30,000.

In addition to the programmatic needs, the Department of Health and Senior Services, Office of General Counsel would need an additional 1.0 FTE, a Legal Counsel at \$99,201 per year, for the following:

- To represent the department in hearings regarding license discipline against mobile food vendor licensees as described in proposed section 196.3106;
- To represent the department and coordinate with the AGO in efforts to collect penalties assessed against mobile food vendor licensees as described in proposed section 196.3106.

The Division of Administration would need 2.0 FTE, one Procurement Specialist at \$72,264 per year to execute and maintain the inspection contracts and one Accountant at \$67,080 per year to oversee the additional revenues, contract payments and expense report payments.

Section 196.3091 of the proposed legislation allows the department to charge fees for each annual mobile food vendor license required in 196.3085 as well as for each health inspection required by 196.3100 at an amount necessary to cover the cost of administering the program. This will allow DHSS to collect fee revenue sufficient to make the program net neutral, thus resulting in a net zero fiscal impact. In summary, DHSS assumes a cost for an additional 10 FTE, software development and local public health contracts for annual inspections as a result of the implementation of changes in this proposal at a cost of \$2,040,504 in FY 2027, \$1,955,558 in FY 2028 and \$1,990,802 in FY 2029 to the Missouri Public Health Services Fund (1298).

DHSS also assumes licensing and inspection mobile food unit revenue of \$2,040,504 in FY 2027, \$1,955,558 in FY 2028 and \$1,990,802 in FY 2029.

Oversight does not have any information to the contrary. Since this proposal allows the department to charge fees necessary to cover the cost of administering the program, Oversight

will reflect the cost and revenue estimates as provided by DHSS, thus resulting in a net zero fiscal impact.

Oversight assumes this proposal could have a fiscal impact on local governments as some cities and counties currently require separate permits, licenses or fees for food trucks operating within their jurisdiction. Since this bill will limit or standardize local licensing, local governments could experience a loss in revenue from permitting or licensing fees that are currently collected from mobile food vendors.

Officials from the **Office of the State Courts Administrator (OSCA)** state HCS for HB 3157 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 **Office of Administration - Administrative Hearing 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties 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 a 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 – OSCA (§§196.3070-196.3112)</u> Provision Changes p. 5	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
MISSOURI PUBLIC HEALTH SERVCES FUND*			
<u>Revenue – DHSS (§§196.3070- 196.3112) Licensing Fees p.4</u>	\$2,040,504	\$1,955,558	\$1,990,802
<u>Cost – DHSS (§§196.3070-196.3112)</u> p. 4			
Personal Service	(\$640,592)	(\$784,084)	(\$799,766)
Fringe Benefits	(\$393,779)	(\$478,719)	(\$485,026)
Equipment and Expense	(\$206,133)	(\$152,755)	(\$155,810)
Total Cost – DHSS	(\$1,240,504)	(\$1,415,558)	(\$1,440,602)
FTE Change – DHSS	10 FTE	10 FTE	10 FTE
<u>Cost – DHSS (§§196.3070-196.3112)</u> Software & Local Inspections p.4	(\$800,000)	(\$540,000)	(\$550,200)
ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVCES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on General Revenue	10 FTE	10 FTE	10 FTE

*Revenue and expenses net to zero.

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Loss – Cities in Jackson County (§§196.3070-196.3112)</u> Potential loss in mobile food unit permits p.3	\$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

Mobile food vendors seeking to do business in St. Charles County, Jefferson County, and St. Louis City are required to get a separate license/permit from each local health agency. This proposed legislation allows the Department of Health and Senior Services (DHSS) to issue mobile food vendor licenses to mobile food vendors who could then travel anywhere within Missouri and operate. Having one license to operate throughout the state will reduce the financial burden of obtaining multiple permits as well as multiple compliance standards. It may also expand the operations of these businesses as the permit allows them to operate anywhere in the state.

FISCAL DESCRIPTION

This bill preempts local ordinances, resolutions, rules, or regulations concerning the licensing or permitting of mobile food vendors or the operation of mobile food units. A person is prohibited from operating as a mobile food vendor in this State unless the person holds a mobile food vendor license issued by the Department of Health and Senior Services.

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 Health and Senior Services
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration - Administrative Hearing Commission



Julie Morff
Director
March 25, 2026



Jessica Harris
Assistant Director
March 25, 2026