

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4421-01
Bill No.: Truly Agreed To and Finally Passed SB 573
Subject: Taxation and Revenue - Income, Veterans, National Guard
Type: Original
Date: May 29, 2018

Bill Summary: This proposal changes policies regarding the armed services.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | | |
|--|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 | Fully Implemented (FY 2025) |
| General Revenue* | Up to (\$300,000) | Up to (\$1,000,000) | Up to (\$2,500,000) | Up to (\$7,700,000) |
| Total Estimated Net Effect on General Revenue | Up to (\$300,000) | Up to (\$1,000,000) | Up to (\$2,500,000) | Up to (\$7,700,000) |

* A portion of this proposal phases in 20% per year for five years.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | | |
|---|------------|------------|------------|--------------------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 | Fully Implemented (FY 2025) |
| MO Military Community Reinvestment Grant Program Fund* | \$0 | \$0 | \$0 | \$0 |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 | \$0 |

* Revenue and grants net to zero.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 16 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | | |
|--|----------------|----------------|----------------|------------------------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 | Fully Implemented (FY 2025) |
| | | | | |
| | | | | |
| Total Estimated Net Effect on All Federal Funds | \$0 | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | | |
|---|----------------|----------------|----------------|------------------------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 | Fully Implemented (FY 2025) |
| | | | | |
| | | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | | |
|--|------------------------|------------------------|------------------------|------------------------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 | Fully Implemented (FY 2025) |
| Local Government | Up to \$300,000 | Up to \$300,000 | Up to \$300,000 | Up to \$300,000 |

FISCAL ANALYSIS

ASSUMPTION

§8.012 and §253.048 POW/MIA Flags

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume these sections require POW flags to be flown at state department buildings. B&P estimates this will not impact Total State Revenue or the calculation under Article X, Section 18(e).

§30.750, §30.756 and §620.3250 Veteran Loans

Officials at the **B&P** assumed this proposal would allow veterans to participate in Missouri's Linked Deposit program in order to obtain small business loans. B&P estimates this will not impact Total State Revenue or the calculation under Article X, Section 18(e).

Officials at the **Office of the State Treasurer** assume there is no fiscal impact from this proposal.

In response to similar legislation filed this year, HB 1503, officials at the **Department of Economic Development (DED)** assumed this amends chapter 30 regarding loans to small businesses from the Treasurer's office. It also creates a new section, 620.3250. This version of the bill requires DED to provide a mentor for each project for a year and also requires DED to review and approve "a boots-to-business program" created by the small business vet.

Since DED does not administer the loans, DED cannot speculate as to how much will be spent on loans per year. However, assuming there are 100 loans per year, DED will need to hire 1 Band II Manager (\$63,618), 1 Economic Development Incentive Specialist III (\$53,136), and 10 Marketing/Business Specialists III (\$53,136) to implement the program.

The 12 FTE will require that DED pay for more space in the Truman Building, or, if that is not available, rent additional office space in Jefferson City. The cost for space for 12 FTE in the Truman Building is \$1,518/person/year for a cost of \$18,216/year. If DED is required to rent space in Jefferson City the cost is \$4,025/person/year for a total annual cost of \$48,300.

Oversight notes this proposal allows any veteran, who has a eligible veteran-owned small business as defined in this proposal, to receive a small business loan through the state treasurer's linked deposit program. Oversight assumes this portion of the proposal would have no additional fiscal impact.

ASSUMPTION (continued)

Oversight notes that §620.3250.3, requires any applicant who receives a loan from an eligible lending institution be assigned a mentor and to meet with the mentor once every ninety days for one year. Oversight notes this proposal does not require DED to provide the mentors and to pay for the mentors. Oversight assumes that DED will be able to provide a list of mentors (not additional (new) state employees) in the applicants' area of the state they could work with. Oversight assumes that DED could provide the information using existing resources.

§41.1010 and §620.3300 Missouri Military Preparedness and Enhancement Commission Officials at the **B&P** assume this proposal creates the "Missouri Military Community Reinvestment Program Act" to assist military communities and the "Missouri Military Community Reinvestment Grant Program Fund".

This proposal will not impact Total State Revenues; however, any investment earnings could have an indirect impact on General and Total State Revenues. Therefore, B&P estimates that this provision will not impact Total State Revenue or the calculations under Article X, Section 18(e).

In response to similar legislation filed this year, HB 2339, officials at the **Department of Economic Development (DED)** assumed this legislation creates the Missouri Military Community Reinvestment Grant Program Act. It is a grant program administered by DED through the Missouri Military Preparedness and Enhancement Commission. The Grant Program is created under §620.3300. The purpose is to "assist military communities in supporting and sustaining their installations, to encourage the communities to initiate coordinated response programs and action plans in advance of future federal government realignment and closure decisions, and to support community efforts to attract new or expanded military missions."

DED evaluates applications and makes recommendations to the Commission, which approves and rejects applications. Applicants are "community-based organizations or local governments located in a military community." Once approved, DED administers grant awards, including the tracking and monitoring of grantee administration of the funds. The Fund is funded by appropriation.

Each grant shall not exceed \$300,000. Applicants have to raise \$1 for every \$1 or \$2 of state money depending on how long the applicant has been in operation.

In response to similar legislation filed this year, HB 2339, officials at the **Office of the Governor** assumed there was no fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight assumes this proposal in §41.1010 expands the duties of the Missouri Military Preparedness and Enhancement Commission. Oversight assumes the Commission can absorb those duties within existing resources.

Oversight notes that §620.3300.4 creates the Missouri Military Community Reinvestment Grant Program Fund that shall consist of moneys collected under this section. This proposal does not list a funding stream for this Fund and therefore for the purpose of the fiscal note, Oversight will show it funded by General Revenue.

Oversight notes that §620.3300.7 limits the amount of grants to no more than \$300,000 per year. Oversight will show in the fiscal note up to the full \$300,000 annually.

§42.380 Missouri Veterans' Bill of Rights

Officials at the **B&P** assume this section shall be known as the Veterans' Bill of Rights and grant certain rights to veterans in Missouri. B&P estimates that this will not impact Total State Revenue or the calculation under Article X, Section 18(e).

§143.175 Income Tax Deduction

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this proposal would exempt income received as salary or compensation for service in the National Guard and the reserve components of the Armed Forces to the extent the compensation is included in federal adjusted gross income from state income tax. The exemption would be phased in over 5 years, starting with tax year 2020, in 20% increments.

Due to data limitations, for the purpose of this fiscal note B&P will estimate a minimum and maximum loss amount for this fiscal note. B&P notes active duty pay was exempted under §143.174 for tax year 2016 and thereafter. Therefore, this proposal would only extend the income tax exemption to weekend pay for National Guard and other Armed Forces Reserve members.

Based on information from the Missouri National Guard, the average pay for Missouri National Guard soldiers totaled \$45.6 million in 2016, based on the average longevity of soldiers and excluding active duty and nonresident pay. B&P assumes that National Guard and other Armed Forces are paid similar salaries of approximately \$4,000 per year. In 2015, there were 7,820 Armed Forces reserve soldiers stationed in Missouri. Therefore, B&P estimates that Armed Forces reserves soldiers earned a total of \$30.5 million in Missouri during 2015. Based on the above information, B&P estimates that the total National Guard and Armed Forces Reserve minimum income was \$76.1 million. However, as noted above, the majority of this income is

ASSUMPTION (continued)

already exempt from Missouri income taxes. Therefore, B&P apportioned this annual income to the daily salary equivalent of \$2.0 million, by calculating the number of days the average National Guard and Armed Forces Reserves would typically work (38 days per year for the two weeks and two days per month). B&P then used these estimates to determine that total minimum weekend pay would be approximately \$48.1 million. Since income tax exemptions do not reduce Total State Revenue on a dollar for dollar basis, B&P estimates that this proposal will decrease Total State Revenue and General Revenue by a minimum of \$2.8 million once fully implemented.

Based on information published by the Missouri National Guard, the total average traditional pay for Missouri National Guard soldiers was \$118.6 million in 2016. B&P assumes that National Guard and other Armed Forces are paid similar salaries of approximately \$10,000 per year. In 2015, there were 7,820 Armed Forces reserve soldiers stationed in Missouri. Therefore, B&P estimates that Armed Forces reserves soldiers earned a total of \$79.5 million in Missouri during 2015. Based on the above information, B&P estimates that total National Guard and Armed Forces Reserve maximum income was \$198.1 million. However, as noted above, the majority of this income is already exempt from Missouri income taxes. Therefore, B&P apportioned this annual income to the daily salary equivalent of \$5.2 million, by calculating the number of days the average National Guard and Armed Forces Reserves would typically work (38 days per year for the two weeks and two days per month). B&P then used these estimates to determine that total maximum weekend pay would be approximately \$125.1 million. Since income tax exemptions do not reduce Total State Revenue on a dollar for dollar basis, B&P estimates that this proposal will decrease Total State Revenue and General Revenue by a maximum of \$7.4 million once fully implemented.

Table 1 shows the loss to Total State Revenue and General Revenue from this proposal by tax year.

Table 1: Impact by Tax Year

| Tax Year | % Income Exempt | Loss to GR |
|----------|-----------------|---|
| TY20 | 20% | Greater than \$600,000 to Less than \$1,500,000 |
| TY21 | 40% | Greater than \$1,100,000 to Less than \$3,000,000 |
| TY22 | 60% | Greater than \$1,700,000 to Less than \$4,400,000 |
| TY23 | 80% | Greater than \$2,300,000 to Less than \$5,900,000 |
| TY24 | 100% | Greater than \$2,800,000 to Less than \$7,400,000 |

ASSUMPTION (continued)

Table 2 shows the loss to Total State Revenue and General Revenue from this proposal by fiscal year.

Table 2: Impact by Fiscal Year

| Fiscal Year | Loss to GR |
|-------------|---|
| FY20 | Greater than \$300,000 to Less than \$700,000 |
| FY21 | Greater than \$900,000 to Less than \$2,200,000 |
| FY22 | Greater than \$1,400,000 to Less than \$3,700,000 |
| FY23 | Greater than \$2,000,000 to Less than \$5,200,000 |
| FY24 | Greater than \$2,600,000 to Less than \$6,600,000 |
| FY25 | Greater than \$2,800,000 to Less than \$7,400,000 |

Officials at the **Department of Revenue (DOR)** assume that beginning January 2020, the legislation allows a deduction for salaries or compensation from National Guard training or armed forces reserve components to the extent it was included in the federal adjusted gross income. The legislation allows for the deduction as follows:

| Beginning | Percent |
|-----------------|---------|
| January 1, 2020 | 20% |
| January 1, 2021 | 40% |
| January 1, 2022 | 60% |
| January 1, 2023 | 80% |
| January 1, 2024 | 100% |

This may negatively impact General Revenue by an estimated \$2.8 million up to \$7.4 million when fully implemented in FY 2025. The range is due to the different data that was given to us by federal and state entities. The department notes that active duty pay was exempted under §143.174 for tax year 2016 and thereafter. Therefore, this proposal would only extend the income tax exemption to weekend pay for National Guard and other Armed Forces Reserve members. Since this proposed legislation does not begin until Tax Year 2020, the first Fiscal Year that would be effected is FY 2020.

ASSUMPTION (continued)

| Fiscal Year | Min. loss to GR | Max. loss to GR |
|-------------|-----------------|-----------------|
| FY20 | 0.3 | 0.7 |
| FY21 | 0.9 | 2.2 |
| FY22 | 1.4 | 3.7 |
| FY23 | 2.0 | 5.2 |
| FY24 | 2.6 | 6.6 |
| FY25 | 2.8 | 7.4 |

Figures in \$M

The Department requires form changes and programming support to implement the provisions of this legislation. The Personal Tax Section requires one Temporary Tax Employee, one Revenue Processing Technician I for every 14,700 errors, and one Revenue Processing Technician I for every 5,700 pieces of correspondence generated.

DOR estimates the FTE costs at \$99,872 in FY 2019, \$100,345 in FY 2020 and \$101,156 in FY 2021. The Department assumes it will be able to absorb the above listed costs. If multiple bills pass which require Department resources and updates, the Department could request additional FTE's and related equipment and expenses through the appropriation process.

In response to the previous version, officials at the **Office of the Adjutant General** assumed no fiscal impact to the Missouri National Guard.

Oversight notes this proposal creates a tax deduction that allows a person who receives salary or compensation to deduct that salary from their Missouri adjusted gross income. Those eligible for this deductions include those who are:

- 1) annual training status (AT) of the National Guard,
- 2) In performance of inactive duty for training (IDT) of the National Guard or; or
- 3) In reserve components of the Armed Forces of the United States.

Oversight notes that SB 814 adopted in 2016 created a tax deduction for active duty military members. It exempted 100% of the income received as a salary or compensation in any form as a member of the active duty component of the Armed Forces. Currently, DOR has interpreted SB 814 as exempting the income of those who receive the annual training status (AT) of the National Guard. Therefore, this proposal would not further impact them.

Oversight notes that SB 814 does not allow those who receive inactive duty training (IDT) to receive the 100% deduction. This proposal would expand this deduction to include them. This proposal would allow the phase in, 20% a year increasing to 100% in year five. Oversight asked

ASSUMPTION (continued)

the Missouri National Guard if they have any information on the number of people who participate in the inactive duty training over the last year. They estimated 9,127 people participated and received a combined salary of \$45,563,394.

Oversight notes that this proposal would be expanded to allow all members of the reserve components of the Armed Forces to claim the deduction. Oversight was unable to determine how many members of the reserve components of the Armed Forces reside in Missouri. The Missouri National Guard was also unable to estimate the number of reserves in Missouri. The Missouri National Guard told Oversight that approximately 9,200 Army and National Guardsmen live in Missouri.

Oversight notes that the first deduction would begin with tax year January 1, 2020. For previous fiscal notes, Oversight assumed the fiscal impact would begin in FY 2021. However, Oversight now will utilize B&P's and DOR's estimate of potential impact starting in FY 2020.

§285.250 Veteran Hiring Process

Officials at the **B&P** assume this section would allow nonpublic employers to grant preference to a veteran for hiring and promotion. B&P estimates that this will not impact Total State Revenue or the calculation under Article X, Section 18(e).

§620.515 Show Me Heroes

Officials at the **B&P** assume this section would extend the Show-Me Heroes program to five years following discharge from deployment. B&P estimates that this will not impact Total State Revenue or the calculation under Article X, Section 18(e).

In response to similar legislation filed this year, HB 1492, officials at the **Office of the Adjutant General** and the **Department of Economic Development** each assumed there was no fiscal impact from this proposal.

Oversight notes this proposal extends the time a person eligible for benefits under the Show-Me Heroes Program could receive benefits. Currently, a person is entitled to benefits for one year and this proposal extends it to five years. Oversight notes this proposal does not require additional appropriation and therefore, Oversight will not show a fiscal impact.

The Show-Me Heroes Program provides active duty National Guard members and recently separated United State military personnel and their spouses with job training and financial assistance to gain new employment. The program promotes the hiring of veterans and encourages employers to consider veterans. It also provides on-the-job training opportunities to

ASSUMPTION (continued)

those recently returned from deployment and those recently separated from active duty. The Department of Economic Development administers the program and it has received \$500,000 per year in funding the last three years.

Bill as a Whole

Officials at the **Office of the Attorney General (AGO)** assumes that any potential costs arising from this proposal can be absorbed with existing resources. AGO may seek additional appropriations if there is a significant increase in litigation.

Officials at the **Department of Conservation, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Social Services, Joint Committee on Administrative Rules, Missouri Department of Transportation, Missouri Veteran's Commission, Office of Administration's Division of Personnel, Office of Administration's Facilities Management, Design and Construction, Office of Prosecution Services, Office of the State Public Defenders, and the Office of the State Treasurer** each assume there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state 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 \$2,500. 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 the 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

| <u>FISCAL IMPACT - State Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 | Fully Implemented (FY 2025) |
|---|-------------------------------------|---------------------------------------|---------------------------------------|---|
| GENERAL REVENUE | | | | |
| <u>Transfer Out -</u> funding for the Missouri Military Community Reinvestment Grant Program Fund §620.3300 p. 4 -5 | | | | |
| Up to (\$300,000) | | Up to (\$300,000) | Up to (\$300,000) | Up to (\$300,000) |
| <u>Revenue Reduction -</u> deduction for military pay §143.175 p. 5 - 9 | | | | |
| \$0 | | (\$300,000 to <u>\$700,000</u>) | (\$900,000 to <u>\$2,200,000</u>) | (\$2,800,000 to <u>\$7,400,000</u>) |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | | | | |
| | Up to <u>(\$300,000)</u> | Up to <u>(\$1,000,000)</u> | Up to <u>(\$2,500,000)</u> | Up to <u>(\$7,700,000)</u> |

| <u>FISCAL IMPACT -</u> <u>State Government</u> (continued) | FY 2019 (10 Mo.) | FY 2020 | FY 2021 | Fully Implemented (FY 2025) |
|--|---------------------|---------|---------|-----------------------------------|
|--|---------------------|---------|---------|-----------------------------------|

**MISSOURI
 MILITARY
 COMMUNITY
 REINVESTMENT
 GRANT
 PROGRAM FUND**

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| <u>Transfer In</u> - from General Revenue §620.3300 | Up to \$300,000 | Up to \$300,000 | Up to \$300,000 | Up to \$300,000 |
|---|--------------------|--------------------|--------------------|--------------------|

| | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>Cost</u> - Distribution of \$300,000 grant §620.3300 | <u>(Up to \$300,000)</u> | <u>(Up to \$300,000)</u> | <u>(Up to \$300,000)</u> | <u>(Up to \$300,000)</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|

**ESTIMATED NET
 EFFECT ON THE
 MISSOURI
 MILITARY
 COMMUNITY
 REINVESTMENT
 GRANT
 PROGRAM FUND**

| | | | |
|------------|------------|------------|------------|
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|------------|------------|------------|------------|

| | | | | |
|---|---------------------|---------|---------|-----------------------------------|
| <u>FISCAL IMPACT -</u> <u>Local Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 | Fully Implemented (FY 2025) |
|---|---------------------|---------|---------|-----------------------------------|

**LOCAL
 POLITICAL
 SUBDIVISIONS**

Revenue - receipt of
 the Missouri
 Military Community
 Reinvestment Grants
 \$620.3300

| | | | |
|---------------------------|---------------------------|---------------------------|---------------------------|
| Up to <u>\$300,000</u> | Up to <u>\$300,000</u> | Up to <u>\$300,000</u> | Up to <u>\$300,000</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|

**ESTIMATED NET
 EFFECT TO
 LOCAL
 POLITICAL
 SUBDIVISIONS**

| | | | |
|---------------------------|---------------------------|---------------------------|---------------------------|
| Up to <u>\$300,000</u> | Up to <u>\$300,000</u> | Up to <u>\$300,000</u> | Up to <u>\$300,000</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies several provisions relating to the armed services.

INCOME TAX DEDUCTION FOR NATIONAL GUARD AND RESERVES - This act allows members of the National Guard or reserve components of the Armed Forces of the United States to deduct such military income from his or her Missouri adjusted gross income to determine such taxpayer's Missouri taxable income. The percentage of such income that may be deducted shall be phased in between tax years 2020 and 2024 in twenty percent increments.

The income tax deduction authorized by this act shall apply to income received as salary or compensation in performance of Inactive Duty for Training (IDT) of the National Guard, Annual Training Status (AT) of the National Guard, or in reserve components of the Armed Forces of the United States. The deduction shall not apply to income received while engaging in civilian

FISCAL DESCRIPTION (continued)

federal service, including civil service positions requiring the wearing of military uniform and military affiliation. (§143.175)

DISPLAY OF POW/MIA FLAG - This act requires, rather than allows, all state buildings to display the POW/MIA flag. This act also requires the Board of Public Buildings to reach out to local veterans organizations to obtain a donated flag if a state building does not possess a flag. (§8.012 and §253.048)

LINKED DEPOSIT PROGRAM - This act allows veteran-owned small businesses to participate in the Missouri Linked Deposit Program, and requires eligible lending institutions to give priority to veteran-owned small businesses when considering which eligible small businesses should receive reduced-rate loans. (§30.750)

This act also requires a veteran who has received a small business loan through the Linked Deposit Program to complete a boots-to-business program and to be assigned a mentor for one year following approval of the loan. (§620.3250)

SHOW-ME HEROES PROGRAM - This act modifies the Show-Me Heroes program by extending the period of time in which a family may receive services under the program from one year following discharge from deployment to five years.

This act also repeals a provision requiring the Department of Economic Development to structure contracts under the program such that payment is based on delivering services as well as performance. (§620.515)

HIRING AND PROMOTION PREFERENCE - This act allows any private employer to grant preference in hiring and promotion to any veteran, spouse of a disabled veteran who has a service-connected permanent and total disability, or to a surviving spouse of a deceased veteran. (§285.250)

VETERANS' BILL OF RIGHTS - This act establishes the Veterans' Bill of Rights, which provides certain rights to Missouri veterans, as described in the act. (§42.380)

MISSOURI MILITARY COMMUNITY REINVESTMENT ACT - This act creates the "Missouri Military Community Reinvestment Program" within the Department of Economic Development to assist military communities in supporting and sustaining their installations, to encourage communities to initiate coordinated response programs and action plans in advance of federal

FISCAL DESCRIPTION (continued)

government realignment and closure decisions, and to support community efforts to attract new or expanded military missions.

The Department and the Missouri Military Preparedness and Enhancement Commission shall invite public comments on the administration of the program and jointly develop and establish procedures for implementation of the program. The Department shall evaluate each application and make recommendations to the Commission, which will approve or reject any recommended application. Upon approval, the Department will administer grant awards. The aggregate amount of grants shall not exceed \$300,000 per year. Eligible amounts for grants include certain match requirements based on an applicant's years in operation. Applications shall include a coordinated program of work or a plan of action specifying how the project will be administered and accomplished, including a plan for ensuring cooperation between civilian and military authorities in the conduct of activities, and a plan for public participation. The grants may be used for public-to-public partnerships with military installations, local or regional marketing to communicate the value of military installations and military service, programs to assist with the diversification of the economy of the community,

performing research regarding factors that affect attractiveness of the community for future military investments, programs to develop or improve the quality of life in military communities, and developing plans to reuse closed or realigned military installations or facilities. (§41.1010 and §620.3300)

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 Conservation
Department of Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
Missouri National Guard

SOURCES OF INFORMATION (continued)

Department of Social Services
Joint Committee on Administrative Rules
Missouri Department of Transportation
Office of Administration
 Division of Budget and Planning
 Division of Personnel
 Division of Facilities Management, Design and Construction
Office of the Attorney General
Office of Prosecution Services
Office of the Secretary of State
Office of the State Public Defenders
Office of the State Treasurer

Ross Strope



Acting Director
May 29, 2018