

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5367S.01I  
Bill No.: SB 1103  
Subject: Abortion; Attorney General; Auditor, State; Political Subdivisions; Tax Incentives  
Type: Original  
Date: April 5, 2022

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Bill Summary: This proposal prohibits public financial benefits to abortion facilities and their affiliates or associates.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§188.212 – Prohibits public financial benefits to abortion facilities**

Officials from the **Office of Administration (OA) - Facilities Management, Design and Construction (FMDC)** state:

188.212.2(1): This section provides that “no project for a proposed or existing abortion facility or affiliate or associate of an abortion facility shall be eligible for a public financial benefit.” Given the broad definitions of “project” and “public financial benefit” in §188.212.1, this legislation appears to prohibit OA-FMDC from entering into any lease (as either a lessor or lessee) or a property sale or purchase with an affiliate or associate of an abortion facility. Because “affiliate” and “associate” are not defined, this bill could limit OA-FMDC’s ability to enter into leases or to convey or purchase property for purposes unrelated to abortion (for example, a property owner who leases an unrelated property to an abortion facility could be considered an affiliate or associate). FMDC assumes that this bill would not apply to construction, renovation, maintenance or repair contracts for work on state-owned property that is not leased to a third party.

OA-FMDC assumes that it would comply with this provision by creating a self-certification/attestation form to be signed by individuals or entities that OA-FMDC enters into leases or property transactions with. OA-FMDC would also need to amend the language in its leases and RFPs for future transactions. (FMDC assumes that this would not apply to existing leases.) It is expected to take 30 hours of time by the Office Space Planning Program Manager and 30 hours of time by OA-FMDC Legal Counsel to create the self-certification/attestation form and to make the necessary document modifications (for this section and the section discussed below). Therefore, the **anticipated impact is \$1,815**.

188.212.2(2): This section provides that any land, building, structure, facility, place or premises that has received public funding for a “project” shall be “restricted in perpetuity from being used by or for the benefit of an abortion facility or affiliate or associate of an abortion facility.” OA-FMDC assumes that a written restrictive covenant would need to be recorded for all state-owned and leased properties to comply with this requirement. It is expected it this would take 40 hours of time by OA-FMDC Legal Counsel to draft a restrictive covenant, plus 2 hours per property for an Office Space Planner or administrative staff to record the covenants with the counties or to request that property owners record a covenant for leased properties. OA-FMDC has 605 leased properties and 120 state-owned facilities; therefore, this would require approximately 1,450 hours of time. Therefore, the **expected impact of this section is \$43,500**. FMDC would also need to amend its lease and RFPs templates to notify property owners of this requirement in the future. (The time required for these modifications is included with the estimate above.)

At this time, OA-FDMC assumes that the impact of this bill could be absorbed by existing staff. If, however, OA-FMDC's assumptions about this bill are incorrect or other legislation is passed that impacts OA-FMDC's, additional FTE may be required.

**Oversight** does not have any information to the contrary. Oversight assumes the OA-FMDC has sufficient staff and resources available to absorb the additional responsibilities of this proposal. However, if other proposals pass during the legislative session that require additional staff and resources, OA may seek additional funding through the appropriations process.

Officials from the **Department of Revenue (DOR)** state §188.212 would prohibit any public financial benefit be given to any abortion facility or its affiliates or associates. Public financial benefits include any tax reductions, credits, forgiveness, abatements or tax-relieving measures. Additionally, the facility and its affiliates and associations are not allowed to form a special taxation district.

The DOR is unable to determine if this will have a fiscal impact. This proposal does not define who would constitute an affiliate or associate, so the DOR is unable to determine if any such organization receives any benefits currently.

The DOR notes that statutorily it is to provide timely filing discounts given to organizations that pay withholding tax and sales and use tax timely. Would these be considered tax reductions or tax-relieving measures? If so, not providing these discounts could result in additional revenue to the state.

**Oversight** assumes no fiscal impact for the purposes of this fiscal note.

In response to similar legislation from the current session (HB 1557), officials from the **Office of Attorney General (AGO)** assumed any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. However, the AGO may seek additional appropriations if there is a significant increase in litigation.

**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 **Department of Economic Development**, the **Department of Health and Senior Services**, the **Cities of: Claycomo, Kansas City, O'Fallon, Springfield** and the **St. Louis Budget Division**, the **Office of the State Auditor**, the **Missouri Office of Prosecution Services** and the **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.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other cities and various county officials were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

#### FISCAL IMPACT – Small Business

This proposal may impact small business construction companies.

#### FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

Department of Economic Development

Department of Health and Senior Services

Department of Revenue

Office of Administration –

Facilities Management, Design and Construction

City of Claycomo

City of Kansas City

City of O'Fallon

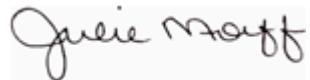
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City of Springfield  
St. Louis Budget Division  
Office of the State Auditor  
Missouri Office of Prosecution Services  
Office of the State Courts Administrator



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April 5, 2022



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