COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0845S.04S
Bill No.: CCS for HCS for SCS for SB 187
Subject: Banks and Financial Institutions; Department of Commerce and Insurance; Attorney General; Fees
Type: Original
Date: May 12, 2023

Bill Summary: This proposal modifies provisions relating to financial affairs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	($459,131) to Could exceed ($4,716,464)	($391,744) to Could exceed ($5,100,544)	($594,472) to Could exceed ($5,303,272)
Total Estimated Net Effect on General Revenue	**($459,131) to Could exceed ($4,716,464)**	**($391,744) to Could exceed ($5,100,544)**	**($594,472) to Could exceed ($5,303,272)**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Other State	(Unknown, could exceed $4,668,666	(Unknown, could exceed $5,482,400)	(Unknown, could exceed $5,482,400)
Division of Finance*	$83,485 to $86,185	$177,945 to $180,645	$177,945 to $180,645
Show-Me MyRetirement Savings Administrative Fund	$0 or Unknown	$0 or Unknown	$0 or Unknown
Total Estimated Net Effect on Other State Funds	**(Unknown, could exceed $4,582,481)**	**(Unknown, could exceed $5,301,755)**	**(Unknown, could exceed $5,301,755)**

*Distributions of Revenue less Cost net to zero – The Money Transmission Modernization Act (361.900 – 361.1035) replaces existing money transmission laws (361.700 – 361.727).

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Federal	$0 or(Unknown)	$0 or(Unknown)	$0 or(Unknown)
Total Estimated Net Effect on All Federal Funds	**$0 or(Unknown)**	**$0 or(Unknown)**	**$0 or(Unknown)**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	1 FTE	1 FTE	2 FTE
Division of Finance	0 net FTE	0 net FTE	0 net FTE
Show-Me MyRetirement Savings	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE
Total Estimated Net Effect on FTE	1 or 3 FTE	1 or 3 FTE	2 or 4 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 2024	FY 2025	FY 2026
Local Government	**Unknown to (Unknown)**	**Unknown to (Unknown)**	**Unknown to (Unknown)**

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency 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.

Section 30.266 – STO Budget Reserve Fund Investment

Officials from **the Office of the State Treasurer (STO)** did not respond to our request for fiscal impact. However, in response to the introduced version of the bill, the STO stated investments made by the Missouri State Treasurer's Office are determined by the state constitution, not by statute. The fiscal impact to the State Treasurer's Office would be unknown.

In response to a similar proposal (HCS for SB 100), officials from the **Office of Administration - Budget and Planning (B&P)** stated this section allows the State Treasurer's Office (STO) to keep at least 1% of all state funds in gold or silver. B&P notes that the value of gold and silver as well as the amount of all state funds fluctuates daily. It is unclear how often the STO would have to settle up the amount of gold/silver on hand relative to the amount of money in all state funds. B&P defers to STO for the potential impact of this provision.

In response to a similar proposal (HCS for SB 100), officials from the **Department of Revenue (DOR)** state this requires the STO to invest in gold or silver. This will not fiscally impact DOR.

Oversight notes this section allows the Office of the State Treasurer to keep in custody an amount of gold and silver greater than or equal to one percent (1%) of all state funds. Oversight assumes a loss of interest income to the state if the STO is no longer allowed to invest those monies in interest bearing securities. According to reports from the Office of the State Treasurer, the balance of all state funds in the treasury totaled $16.96 billion at January 31, 2023. Also, the STO's December Portfolio Management summary noted a par value of investments as of December 31, 2022 of $16.5 billion and an effective rate of return for the month of December as 2.48%. Therefore, Oversight assumes if the STO keeps in custody 1% of state funds in gold and silver, this would equate to roughly $169 million ($16,960,871,122 x 1%) taken out of usual investments and used to purchase/hold gold and silver. Oversight will reflect a loss of interest income to General Revenue and Other state funds of $4.2 million ($169,000,000 x 2.48%). Oversight is unsure of the breakout of interest being credited to General Revenue versus other state funds; therefore, for simplicity, Oversight will assume interest proceeds from the General Revenue Fund (balance of $5.6 billion at January 31, 2023) will be credited back to that fund, and all other interest will be credited to their original state funds, which Oversight will lump into "other state funds".

General Revenue Fund	$5.6 billion x 1% x 2.48% = $1,388,800
All others (reflected as "Other State Funds")	($16.9B - $5.6B) x 1% x 2.48% = $2,802,400

Oversight notes the HCS states the STO "may keep" gold and silver (changed from "shall keep"); therefore, Oversight will reflect the fiscal impact as "$0 or" the estimates reflected above.

Section 30.753 – Linked Deposit Program

Officials from the **Office of the State Treasurer (STO)** did not respond to the request for fiscal impact. However in response to SB 599 (2020), the last time the Linked Deposit program cap was raised (from $720 million to the current $800 million) the STO stated that total state revenue will decrease because linked deposit loans earn less in interest than other options that the State Treasurer has to invest in as a result of this proposal.

Oversight notes, according to a 2022 report issued by the STO (MO BUCK$, Linked Deposits for small businesses, farms and communities), the following is a summary of Missouri Linked Deposit Program by Year:

2022	$292,092,410
2021	$281,472,076
2020	$437,486,163
2019	$522,047,970

Per the report, "*The program has entered another growth cycle with the rising interest rates experienced in 2022. After rolling back some of the changes STO had to make in prior years to slow the explosive growth, the program slowed dramatically when interest rates neared record low levels. With interest rates once again on the rise, volume has picked up significantly this year.*"

The report noted the current breakout for the Linked Deposit Program as follows:

Small Business Program	$82,359,363
Job Enhancement Program	$0
Alternative Energy Program	$0
Agriculture Program	$201,383,185
Local Government Program	$0
Multi-Family Housing Program	$8,349,862
Total Active Deposits	**$292,092,410**

In assessing the fiscal impact, in 2020 of increasing the cap, the STO estimated a loss of revenue as:

Average 5 year agency bond: 3.00 callable or 2.75 bullet = Average of 2.875% the state earns
Average yield on linked deposit is .668%
Opportunity cost (loss) is 2.207% (2.875% - 0.668%)

Oversight notes the market has changed considerably in three years since this response was provided by the STO. However, for fiscal impact calculations, Oversight will assume an opportunity cost (loss) for the additional monies earmarked and utilized in the Linked Deposit Program of 2.0%

$200,000,000 ($800M – $1B) x 2% = **$4,000,000**.

The current (at January 31, 2023) balances of General Revenue and all other state treasury funds are:

General Revenue:	$5,609,026,200	33%
All other state funds:	$11,351,844,912	67%
TOTAL	$16,960,871,112	

General Revenue	$1,320,000 (33% x $4M)
Other State Funds	$2,680,000 (67% x $4M)
TOTAL	**$4,000,000**

Oversight notes that increasing the allocation for Linked Deposits could result in a decrease to state revenues given that there are investments with higher interest rates of return that the STO could take advantage of. The interest rate environment with lending institutions will not be constant and Oversight is unable to determine the amount of businesses that would utilize the Linked Deposit program in the future. Therefore, Oversight will reflect a loss to general revenue of up to $1,320,000 and a loss to other state funds of up to $2,680,000.

Oversight also notes there is potential savings to local political subdivisions if they choose to utilize the Linked Deposit Program. Therefore, Oversight will reflect an unknown positive fiscal impact to political subdivisions to the extent they avail themselves of up to $200 million in increased linked deposit authority.

Oversight notes this increase in the Linked Deposit program may have positive benefits to the various Missouri businesses and entities that utilize the program. Oversight considers these benefits to be indirect impacts and have not reflected them in the fiscal note.

Oversight notes the amount of linked deposits per the MOBUCK$ report as of 2022 ($292,092,410) is far from the current cap of $800 million. Therefore, Oversight will assume the STO may not utilize the new $200M of cap space provided by this bill. Therefore, Oversight will reflect the fiscal impact as $0 (increasing the cap does not impact the amount of linked deposits made) to the estimates provided above.

Section 137.100 – Property Tax Exemption for Virtual Currencies.

In response to a similar proposal (HCS for SB 100), officials from **DOR** noted this exempts virtual currency from property tax. Property tax is handled by county assessors, county collectors, and the State Tax Commission, not DOR. This will not fiscally impact DOR.

In response to a similar proposal (HCS for SB 100), officials from **B&P** stated this section would exempt "virtual currency" from state and local property taxes. B&P is unaware of any property taxes currently levied on such digital currencies; therefore, B&P anticipates that this section will not impact TSR or the Blind Pension Fund.

In response to a similar proposal (HCS for SB 100), officials from the **State Tax Commission** assumed no fiscal impact from this proposal.

In response to a similar proposal (HCS for SB 100), officials from the **Lincoln County Assessor's Office** assumed no fiscal impact from this proposal.

Oversight assumes virtual currencies are not currently subject to property tax; therefore, this section will not have a fiscal impact.

Section 143.121 Capital Gains and MAGI

In response to a similar proposal (HCS for SB 100), officials from **DOR** noted this requires that a taxpayer subtract the amount of capital gain on the sale or exchange of gold or silver from their Missouri adjusted gross if it was reported in their federal adjusted gross income. The Department is unable to determine how many people report capital gain on gold or silver or how much would be subtracted from their Missouri adjusted gross income. Should subtracting this capital gain decrease a taxpayer's adjusted gross income, then this could result in a loss of revenue to the state. The impact is unknown but could be significant, over $1 million.

This will require an additional line be added to the MO-A form, information would need to be added to their website and this would need to be added to the individual income tax computer system. These costs are estimated at $7,193.

In response to a similar proposal (HCS for SB 100), officials from **B&P** noted this section would allow Missouri taxpayers to subtract any capital gains from the sale or exchange of gold and/or silver from the taxpayer's Missouri Adjusted Gross Income (MAGI), if such capital gains were included in the taxpayer's Federal Adjusted Gross Income (FAGI), beginning with tax year 2024.

B&P is unable to determine how the amount of capital gains claimed by Missouri taxpayers. However, the total amount of capital gains claimed during tax year 2020, the most recent complete year available, was $6,397,177,469. If even 1% of the capital gains resulted from the sale or exchange of gold and/or silver, B&P estimates that the loss to GR would have been $3,166,603 ($6,397,177,469 x 1% x 4.95%). Therefore, B&P estimates that this provision may have an unknown, but significant, loss to TSR and GR beginning with FY25 (for tax year 2024 capital gains).

In response to a similar proposal (HCS for SB 100), officials from the **Department of Social Services** stated Section 143.121 is amended to exempt from state income taxes the portion of capital gain on the sale or exchange of gold and silver that are otherwise included in the taxpayer's federal adjusted gross income for all tax years beginning January 1, 2024.

The Family Support Division (FSD) determines eligibility for MO HealthNet using Modified Adjusted Gross Income (MAGI) for individuals that are not aged, blind, or disabled. Per 42 CFR 435.603(e) MAGI programs follow the Internal Revenue Service (IRS) tax code for federal income taxable income when determining what income and expenses are included in the eligibility determination. Therefore, any change in capital gain or exchange of gold and silver that are otherwise included in the taxpayer's federal adjusted gross income for Missouri state income tax will not affect the eligibility criteria for MAGI.

Therefore, there is no fiscal impact to FSD IM for the provisions in section 143.121.

Oversight has no basis to provide an estimate; therefore, will reflect an unknown loss to the General Revenue Fund from this section.

Section 170.281 - Personal Finance Course

Officials from **Department of Elementary and Secondary Education (DESE)** estimate the total cost for workgroups to be $20,754 (18 representatives for two meetings). Representatives include nine educators providing instruction in personal finance (one per RPDC region, representing rural, urban, suburban districts, CTE teachers, and social studies teachers); one from MCCTA (CTE professional organization); two each from DESE, the banking industry, entrepreneurs, and non-profits.

Oversight will show a one-time cost in FY 2024 to convene a work group to develop academic performance standards relating to a personal finance curriculum.

Oversight assumes this proposal requires each student after the ninth grade to complete a one-half unit of credit of personal finance before receiving a high school diploma. Oversight assumes there could be costs for school districts to offer a one-half unit of credit for personal finance. Oversight will show a range of impact of $0 (minimal impact or can be absorbed) to an unknown cost.

Oversight did not receive any response from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>Sections 285.1000 – 285.1055 – Retirement</u>

Officials from the **Office of the State Treasurer** <u>did not respond</u> to **Oversight's** request for fiscal impact for this proposal.

In response to a similar proposal, SCS HCS HB 1732 (2022), officials from the **State Treasurer's Office (STO)** stated their office does not currently deal with retirement savings nor have the capacity to take on the duties necessary to begin a program like the Show-Me MyRetirement Savings Board. The STO does not operate any similar programs and does not currently have the resources to absorb the duties assigned to support the startup of the Show-Me MyRetirement Savings Board. As such, the STO has estimated a minimum of two (2) FTEs being required to support the Board and the Program. STO has assigned these costs to the General Revenue Fund as these duties are beyond the scope of permitted expenditures from the State Treasurer's General Operations Fund pursuant to Section 30.605, RSMo, which authorizes the Treasurer to retain interest to fund the office functions pertaining to the management of state funds. The basis point cap included within this section cannot absorb additional functions without being raised above 15 basis points.

Oversight assumes the STO's administrative costs will be incurred in the new fund.

Officials from **Office of Administration - Budget and Planning (B&P)** assume this proposal would establish the Show-Me MyRetirement Savings Administrative Fund. Revenues deposited into the newly-created fund in the form of gifts, donations, grants or fees could increase Total State Revenue. Any new application, account, administrative, or other fees deposited into the fund could impact the calculation pursuant to Art. X, Sec. 18(e). Additionally, to the extent that individuals elect to make pre-tax contributions into a qualified retirement plan under this section, TSR could be impacted.

Officials from **Department of Revenue (DOR)** assume this proposal allows businesses to create a program similar to the state employee's deferred compensation system. It should be noted that businesses already have the ability to do so under current law. This would just create a system by which multiple businesses could band together to form this deferred compensation plan. Section 285.1015.2(7) allows that pretax contributions can be contributed and those pretax contributions could potentially have an impact on general revenue and TSR, DOR officials, given that current law allows these programs, are not sure this would result in any additional impact to the state.

The proposal has the potential to negatively impact DOR, but the extent of the impact is unclear. One section of the proposal (Section 285.1025) insulates employers against any adverse Missouri tax consequences as a result of participating in the Show-Me MyRetirement Plan, which would likely affect tax administration with respect to these employers in some situations. Section 285.1010.2 requires a state agency to cooperate with others and Section 285.1010 may give the board that oversees these plans the ability to alter Missouri withholding tax forms. Section 285.1015 authorizes the board to use state agency's infrastructure. If any of these requirements lead to affecting Missouri employer tax filings or authorize the use of DOR's infrastructure, these actions could have a negative fiscal impact on the Department. The impact is unknown but has the potential to be substantial.

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

Officials from the **Office of the Governor** state this proposal adds to the governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the Office of the Governor. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

Officials from the **Office of Administration**, **Missouri Senate** and the **Missouri House of Representatives** 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 assumes this proposal creates the Show-Me MyRetirement Plan and creates the Show-Me MyRetirement Plan Board comprised of nine members.

Oversight assumes this proposal allows employees enrolled in the program to contribute a minimum of 1% of their wages to the plan. (And, at the discretion of the Board, increase the minimum contribution rate for participants 1% per year for each additional year the participant is employed up to the maximum percentage that may be contributed under federal law.) The plan allows voluntary pre-tax or designated Roth 401(k) contributions and is only available to employers that currently do not offer specified tax-favored plan for their employees and employ less than fifty employees. Therefore, Oversight assumes this proposal could result in a revenue loss from pre-tax contributions that otherwise would have been taxed.

Oversight notes, in 2016, Oregon created a state-based retirement savings program called OregonSaves. The program allows employees and workers to enroll in an automatic payroll deduction to Roth IRAs for self-employed workers and employees that are not offered retirement savings options through their employer. Based on the OregonSaves 2018 Annual Report to the Legislature, the combined retirement savings of the program was approximately $10.9 million.

Oversight notes, based on a Supplemental Appropriation Request, the Oregon State Treasury was appropriated $1,021,497 (approximately $500,000 annually) for staffing and other costs during the 2015-2017 biennium with an additional appropriation for $252,372 for legal expenses. For the 2017-2019 biennium, the Oregon State Treasury was appropriated $2,187,774 with a supplemental request for an additional $1,834,033 for a total of $4,021,807 in General Funds (**approximately $2,000,000 annually**). Oversight notes the OregonSaves program was created with different groups being phased in over time. Based on the Annual Report, the program has a participation rate of 72.75%.

Oversight assumes the administrative impact of the proposal could be similar to the cost experienced by the OregonSaves program, approximately $2,000,000 per year. Oversight will show a cost that could exceed approximately $2,000,000 per year. Additionally, Oversight notes this program is subject to appropriation; therefore, Oversight will show the cost as $0 (no appropriation) to the cost estimated above as appropriated by the General Assembly.

Oversight assumes start-up costs would diminish over time as the fund becomes self-sustaining. The start-ups costs provided by the State would be repaid by the board with moneys on deposit which may have a positive impact on General Revenue in the future; however, Oversight is unsure when this would occur.

Oversight assumes this proposal creates the Show-Me MyRetirement Savings Administrative Fund which consists of moneys appropriated by the General Assembly, transferred from the federal government, state agencies or local governments, from the payment of fees, gifts, donations, or grants for administrative purposes for the Show-Me MyRetirement Savings Plan. Oversight assumes that costs and revenues would net to zero or revenues would exceed costs as the fund becomes self-sustaining.

§§361.020 - 408.500 – Division of Finance Provisions

In response to a similar proposal (SB 13), officials from the **Department of Commerce and Insurance (DCI)** stated the changes to 361.715.2 and 361.715.3 increase the annual license fee and amended license fee for the sale of checks/money transmitters by $100 per license or amended license. The license year for these lenders runs from April 15 through April 14; therefore, DOF anticipates an increase in revenue of $18,700 beginning with licenses and amended licenses issued on or after April 15, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 364.030.3 increases the annual license fee for financing companies by $100 per license. The license year for these lenders runs from January 1 through December 31; therefore, DOF anticipates an increase in revenue of $6,300 beginning with licenses issued on or after January 1, 2024. Though the statute states the fees collected would be deposited into the general revenue fund, pursuant to 361.170.4 RSMo., which supersedes this older section, all consumer licensing fees are credited to the Division of Finance Fund and have been since 1991 as would the increase in these annual licensing fees.

The change to 364.105.2 increases the annual license fee for premium financing companies by

$100 per license. The license year for these lenders runs from July 1 through June 30; therefore, DOF anticipates an increase in revenue of $5,200 beginning with licenses issued on or after July 1, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 365.030.3 increases the annual license fee for motor vehicle financing companies by $100 per license. The license year for these lenders runs from January 1 through December 31; therefore, DOF anticipates an increase in revenue of $17,400 beginning with licenses issued on or after January 1, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 367.140.1 increases the annual license fee for small loan and consumer installment lenders by $100 per license. The license year for these lenders runs from July 1 through June 30; therefore, DOF anticipates an increase in revenue of $131,500 beginning with licenses issued on or after July 1, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 407.640.5 increases the annual license fee for credit service organizations by $100 per license. The license year for these lenders runs from July 1 through June 30; therefore, DOF anticipates an increase in revenue of $6,900 beginning with licenses issued on or after July 1, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 408.500.1 increases the annual license fee for pay day lenders by $100 per license. The license year for these lenders runs from January 1 through December 31; therefore, DOF anticipates an increase in revenue of $35,400 beginning with licenses issued on or after January 1, 2024. This revenue would be deposited into the Division of Finance Fund.

For the purposes of this estimate, DOF assumes the number of each of these types of lenders will remain flat in the next three years. Listed below are the projected number of licenses and amendments for each type of lender and the amount of revenue each is expected to generate based on these fee changes.

CONSUMER LICENSE LENDERS BY TYPE WITH PROJECTED REVENUE

		ACTUAL LICENSES			PROJECTED LICENSES				License Year	ESTIMATED REVENUE		
RSMo.	Type of License	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Start Date	FY 2024	FY 2025	FY 2026
361.715.2	Sale of Checks/Money Transmitters	162	176	182	182	182	182	182	April 15	$18,200	$18,200	$18,200
361.715.3	Amended Sale of Checks	7	10	5	5	5	5	5		$500	$500	$500
364.030.3	Financing Company	86	60	63	63	63	63	63	January 1	$6,300	$6,300	$6,300
364.105.2	Premium Financing Company	53	53	53	53	53	52	52	July 1		$5,200	$5,200
365.030.3	Motor Vehicle Finance Company	170	185	191	174	174	174	174	January 1	$17,400	$17,400	$17,400
367.140.1	Small Loans	398	434	425	425	425	425	425	July 1		$42,500	$42,500
367.140.1	Consumer Installment Loans	927	917	890	890	890	890	890	July 1		$89,000	$89,000
407.640.5	Credit Service Organizations	48	51	69	69	69	69	69	July 1		$6,900	$6,900
408.500.1	Pay Day Loans	567	421	354	354	354	354	354	January 1	$35,400	$35,400	$35,400
	Total	2,418	2,307	2,232	2,215	2,215	2,214	2,214		$77,800	$221,400	$221,400

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated revenue by DCI generated by proposal to the Division of Finance Fund (0550).

<u>Section 361.749</u>

In response to a similar proposal (HB 759), officials from **DCI's Division of Finance (DOF) assumed** this section creates a registration requirement for businesses that provided earned wage access services with an annual registration fee of $1,000 due on July 1 each year. For the purposes of this estimate, DOF assumes ten providers would register and renew annually, generating $10,000 in revenue each fiscal year.

DOF is required to create forms and processes for initial registrations and reporting changes material to the registrant's information. The Division would also issue certificates of registration. Development of and revisions to forms and processes for the program is estimated to take 40 hours annually at $25.00 per hour for a cost of $1,000. Additionally, DOF assumes registration would be allowed via paper and electronically, which would require website development and maintenance at a cost of $75 per hour, for an estimated 40 hours annually, resulting in a cost of $3,000.

Review of registration applications by a Consumer Credit Examiner would take approximately one hour each, at an average of $43.63 per hour. The processing and issuance of registration certificates by an Administrative Office Support Assistant would require an hour each at $20.76 per hour. The total processing cost for each registration would be $64.39. For the estimated 10 registrants, the estimated total annual cost is $644.

<u>Subsection 361.749.7</u>
DOF assumes this subsection allows the Commissioner or a representative to make necessary investigations. The Division assumes each registrant would be examined every two years resulting in five examinations each year. Each exam is expected to take an estimated sixteen hours. At an average hourly rate of $43.63, DOF estimates examination expenses at $9,865 annually.

The Commissioner of the Division of Finance is also granted power to promulgate any necessary rules for administration of this section in Subsection nine. Promulgation and revision of administrative rules would require an estimated 40 hours annually by Associate Legal Counsel X $43.27 per hour = $1,731.

Subsection ten allows for the imposition of penalties for failure to comply with this section. DOF assumes registrants would be compliant, and therefore, assumes no income from penalties.

In summary, DCI assumes a <u>net income</u> of $135 from this section in each year to provide for the implementation of the changes in this proposal to the Division of Finance Fund.

<u>Sections 361.900 – 361.1035 – Money Transmission</u>

In response to similar legislation (HB 1340), officials from the **Department of Commerce and Insurance (DCI)** assume the following:

Assumptions
These sections authorize the commissioner of the Division of Finance (DOF) to administer, interpret, and enforce Sections 361.900-361.1035. It provides rulemaking authority for DOF and addresses confidentiality of information submitted by licensees and applicants. It further permits the commissioner to enforce sections and regulations pertaining to money transmitters including the federal Bank Secrecy Act and the USA Patriot Act; and outlines required submissions by applicants for a money transmitter license.

All revenue and expenses would be deposited and deducted from the Division of Finance Fund (0550).

Revenue Estimate
Money transmitter companies are currently licensed under Sections 361.700-361.727. If passed these sections would be repealed and replaced by Sections 361.900-361.1035. For the purposes of this estimate, DOF assumes all of the 182 entities currently licensed under 361.700-361.727 would convert their license to that which is authorized by Sections 361.900-361.1035.

Section 361.921
This section allows DOF to charge each money transmitter licensed under these sections for costs associated with their annual examinations DOF assumes the commissioner will set licensure and renewal fees at a level to sustain the program without charging for licensee examinations.

Section 361.936
An Initial Application Fee and a License Fee set by the commissioner are required with the submission of an application for license. The fee would be set based on the cost to sustain operation of the licensure program. Licenses would be effective on the date of issuance by DOF and would expire on December 31 of each year. Annual renewal fees would be set by the commissioner based on the total operating expenses of the program.

Section 361.951
A fee set by the commissioner is required to accompany a request to acquire control of a licensee along with an application for acquisition. DOF estimates that 10%, or 18 such transactions would take place each year. The fee would be set at an amount sufficient to sustain operation of the program based on estimated operating costs.

Section 361.1026
This section authorizes the director to assess civil penalties for violations of 361.900-361.1035. DOF does not anticipate any violations will occur and therefore estimates revenue from these penalties at $0.

Revenue Loss
Since all of those currently licensed under Sections 361.700-361.727 are assumed to transition to these new licenses, DOF expects a loss of revenue from renewals under 361.700-361.727. The fee for renewals is $300 annually, resulting in a revenue loss of an estimated $54,600.

Expense Estimate
Expense estimates include a 2% annual inflation rate.

Section 361.921.1(1) authorizes examinations of licensees which would be conducted by a Senior Consumer Credit Examiner. Regular examinations would take place biennially, with half of the licensees examined each year. This would require an estimated ninety-one examinations be performed each year. It is estimated that a Senior Consumer Credit Examiner would spend an average of forty hours to complete an examination. Completed examinations would be submitted to the central office of the Division for compilation and formatting by an Administrative Office Support Assistant (AOSA). Examinations would be reviewed and approved by the Supervisor of Consumer Credit, estimated to take three hours for each examination.

Based on the average salaries of $43.63 for a Senior Consumer Credit Examiner; $20.76 per hour for an AOSA; and $56.47 for the Supervisor of Consumer Credit. The personal service cost for each examination is estimated at $1,977. Travel expenses are estimated at $500 - $5,000 per examination depending on the location of the licensee. For this estimate, the median of $2,750 per exam was used.

Applications submitted pursuant to Section 361.936 would be reviewed by a Senior Consumer Credit Examiner, requiring an estimated 12 hours each; the Supervisor of Consumer Credit would spend an average of 1 hour reviewing recommendations of the Senior Consumer Credit Examiner regarding licensure approval or denial. It would take an average of 1 hour for the AOSA to process the approval or denial of each application.

Renewal of licenses for money transmitters would be completed on an annual basis, beginning January 1 after of the date of original issuance. DOF assumes the first set of licenses would expire December 31, 2023. Because the number of money transmitters has been fairly stable, it is estimated that ten would opt not to renew their licenses in FYs 2025 and 2026, but would be replaced by new licensees. Renewal requests would be reviewed by a Senior Consumer Credit Examiner, taking an average of 6 hours each. Review of the recommendation for approval or denial would be handled by the Supervisor of Consumer Credit taking approximately one hour. The AOSA would then process the renewal license or denial at one hour per license.

Those entities seeking to acquire control of a money transmitter license are required to submit an application for acquisition. DOF assumes approximately 10% of licenses would have an acquisition application filed each year. For these eighteen applications, an average of eight hours would be required for review by a Senior Consumer Credit Examiner, one hour of review of the recommendation of approval or denial by the Supervisor of Consumer Credit, and one hour to process the approval or denial of the acquisition.

Sections 361.957 – 361.963 require money transmitters to submit several reports to the Division including financial statements, reports of condition, and special events that affect the licensee. DOF estimates it would take a Senior Consumer Credit Examiner six hours to review each report and the Supervisor of Consumer Credit an average of one hour each to address any concerns identified by the Examiner.

Fringe Benefits are estimated at the standard rate.

Supplies and expenses for employees assigned to this program are estimated at $11,040 per FTE annually. Because the majority of Consumer Credit examination staff are telecommuters, rent and janitorial expenses would only be necessary for the AOSA and Supervisor positions.

DOF administrative support services, including general administration, training, human resources, accounting, budget, legal, and information technology services are covered in a 15% administrative overhead rate. This includes promulgation of rules and development of forms and websites to support these sections.

<u>Cost Savings</u>
Since those currently licensed under Sections 361.700-361.727 would transition to these new licenses, DOF expects that 182 renewals will not be processed, saving an estimated $54,600.

DOF assumes that this workload would be picked up by existing staff since repealed Sections 361.700-361.727 would eliminate some existing workload.

<u>Because the commissioner determines the fees associated with licensures and renewals under 361.900-361.1035, DOF assumes the fees would be set at a level sufficient to sustain the operations of the program. Therefore, the net effect on the Division of Finance Fund (0550) would be $0.</u>

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DCI.

In response to similar legislation (HB 1340), officials from the **Department of Corrections (DOC)** assumed this proposal establishes provisions relating to money transmission.
Section 361.981 is modified to include new penalty provisions relating to authorized delegates. A delegate holding money in trust for a licensee and knowingly failing to remit more than one thousand dollars of such money is a class E felony. Should the value of the money entrusted in the delegate be equal to or under one thousand dollars, the penalty is a class A misdemeanor. Section 361.1023 is modified to include new penalty provisions relating to intentionally making false statements or omitting material entries in records. Such actions are punishable with a class E felony. Furthermore, this section also includes penalty provisions relating to knowingly engaging in activities which require a license under sections 361.900 to 361.1035 without the proper license. Such activity, when the person in question receives more than five hundred

dollars in compensation within a thirty-day period, is a class E felony. Should the compensation value be equal to or under five hundred dollars, the penalty is a class A misdemeanor.

As misdemeanors fall outside the purview of the DOC, which will not be analyzing their projected impact. Thus, as it relates to DOC, the intent of the bill is to create three new class E felony offenses.

For each new nonviolent class E felony, the department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.
The cumulative impact on the department is estimated to be 6 additional offenders in prison and 21 additional offenders on field supervision by FY 2026.

Change in prison admissions and probation openings with legislation

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	3	3	3	3	3	3	3	3	3	3
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	6	6	6	6	6	6	6	6	6	6
Change (After Legislation - Current Law)										
Admissions	3	3	3	3	3	3	3	3	3	3
Probations	6	6	6	6	6	6	6	6	6	6
Cumulative Populations										
Prison	3	6	6	6	6	6	6	6	6	6
Parole	0	0	3	3	3	3	3	3	3	3
Probation	6	12	18	18	18	18	18	18	18	18
Impact										
Prison Population	3	6	6	6	6	6	6	6	6	6
Field Population	6	12	21	21	21	21	21	21	21	21
Population Change	9	18	27	27	27	27	27	27	27	27

	# to prison	Cost per year	Total Costs for **prison**	Change in probation & parole officers	Total cost for **probation and parole**	Change to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	3	($9,499)	($23,748)	0	$0	6	($23,748)
Year 2	6	($9,499)	($58,134)	0	$0	12	($58,134)
Year 3	6	($9,499)	($59,297)	0	$0	21	($59,297)
Year 4	6	($9,499)	($60,482)	0	$0	21	($60,482)
Year 5	6	($9,499)	($61,692)	0	$0	21	($61,692)
Year 6	6	($9,499)	($62,926)	0	$0	21	($62,926)
Year 7	6	($9,499)	($64,185)	0	$0	21	($64,185)
Year 8	6	($9,499)	($65,468)	0	$0	21	($65,468)
Year 9	6	($9,499)	($66,778)	0	$0	21	($66,778)
Year 10	6	($9,499)	($68,113)	0	$0	21	($68,113)

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's impact for fiscal note purposes.

* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is $26.024 per day or an annual cost of $9,499 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is $87.46 per day or an annual cost of $31,921 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

In response to similar legislation (HB 1340), officials from the **Office of the State Public Defender** assumed the proposal creates a new offense under section 361.981 which could result in additional cases eligible for SPD representation. The number of additional cases is unknown and as a result the fiscal impact is unknown.

Oversight notes in FY22 the SPD was appropriated moneys for 53 additional FTE. Oversight assumes this proposal will create a minimal number of new cases and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However, if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

<u>Section 362.034– Financial Institutions to Provide Services to Organizations in the Marijuana Industry</u>

In response to similar legislation (HCS for HB 425), officials from the **Department of Revenue (DOR)** stated this proposal would authorize state and local licensing authorities and agencies, including the MO Department of Revenue (DOR), to share the application, license, or other regulatory and financial information of a marijuana facility with a banking institution and the banking institution's state and federal supervisory agencies. It would also require that, in making a request for such information to be shared, the marijuana facility must include a waiver giving authorization to transfer individualized data, information, or records.

The proposal would likely impact DOR by resulting in requests for, and potentially the sharing of, financial and other information by DOR concerning marijuana facilities. If this proposal is meant to have DOR disclose confidential tax information received by DOR and protected by Section 32.057 this could result in unknown fiscal impact to the Department. Section 32.057, is a criminal statute, and prohibits the disclosure of confidential tax information.

The proposal may result in employees of DOR being asked to share certain information with banking institutions to facilitate financial services for a business involved in marijuana distribution. Conspiracy to distribute marijuana remains a federal crime. This could increase the risk of criminal penalties for DOR employees. This proposal could result in an unknown fiscal impact if DOR

Oversight assumes DOR will not be materially impacted by this proposal.

<u>Section 376.414– Insurance coverage of pharmacy services</u>

In response to a similar proposal (Perfected HCS for HB 442), officials from the **Missouri Consolidated Health Care Plan (MCHCP)** stated that MCHCP is not a health care plan under the definition of 376.1350, therefore this legislation would not apply to MCHCP. Section 104.801, requires MCHCP to follow any law which mandates coverage of specific health benefits or services of providers. Since this legislation is mandating cost structure, they assume it does not apply to MCHCP.

However, if it did apply, MCHCP would estimate that it would have a cost. Currently certain things paid by the member are excluded from the out of pocket maximum. MCHCP currently does not include charges above the usual, customary, and reasonable (UCR) limit, the amount the member pays due to noncompliance, non-covered services and charges above the maximum allowed. All of these could be included in “any amounts paid by the enrollee or paid on behalf of the enrollee.” Therefore MCHCP would have an impact of unknown but greater than $100,000 if the bill would be deemed to apply to MCHCP.

Oversight notes MCHCP assumes the proposal does not apply to their organization. Therefore, Oversight will reflect a zero impact in the fiscal note for MCHCP.

In response to a similar proposal (Perfected HCS for HB 442), officials from the **Missouri Department of Transportation** assumed the proposal will have no fiscal impact on their organization.

<u>Sections 407.2030 – Motor Vehicle Financial Protection Products</u>

In response to a similar proposal (HCS for HB 521), officials from the **Department of Commerce and Insurance** 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.

Oversight notes provisions of section 407.2080 impose a penalty of not more than $500 for each violation and not more than $10,000 in the aggregate for all violations of a similar nature. Oversight notes that violations resulting in fines could vary widely from year to year. Civil penalties collected per Article IX, Section 7 of the Missouri Constitution requires fines to be distributed to the school district where the violation occurred; therefore, Oversight will reflect a positive fiscal impact of $0 to Unknown to local school districts on the fiscal note.

<u>Section 408.010 Legal Tender</u>

In response to a similar proposal (HCS for SB 100), officials from **DOR** noted this provision allows gold and silver coins to serve as legal tender of the U.S. for payment of debts. It should be noted that if they are minted by the U.S. Mint they are already considered legal tender, though not widely used in financial transactions. However, if a person makes the coinage themselves, that is not considered legal tender and would be a violation of 18 U.S. § 486.

This proposal will require DOR to accept gold and silver coinage as payment of all taxes or obligations. This would not require DOR to accept gold backs or gold bars. For purposes of the fiscal note, DOR will assume that they only must accept gold and silver coinage that is legal tender. This proposal would require the Department to bear the cost of the verification of the weight and purity of the gold or silver upon acceptance. It should be noted that verification of gold and silver must be done by an Assayer. DOR does not currently have one on staff. Research indicates their average salary is around $61,000 annually and currently there are only 4 working in Missouri at this time. If DOR is required to accept gold or silver at all of their locations (5) and licenses offices (173) DOR would need an Assayer at each location. DOR assumes it will need to have one full-time Assayer in the headquarters building where the majority of all payments are received. For purposes of the fiscal note, DOR assumes all taxpayers wishing to pay in gold or silver would need to do so in the Jefferson City Headquarters Building.

It should be noted that gold and silver are commodities that change in value daily like stocks on the stock exchange. This proposal will require DOR to accept gold and silver coinage at its spot price plus market premium rather than at its par value (value printed on the coin). The market premium on gold adds an additional 2% to 3.75% to the spot price. The par value of gold on 2/2/2023 (when DOR first priced for the fiscal notes) was $44.22 per ounce while its spot price was trading for $1,932 while today (4/7/2023) the spot trading price is $2,021. Once the price is determined, by the time DOR is able to process the payments and get them to the bank to convert to dollars, the spot price could have changed again.

The Department is unable to determine how many people will want to pay with gold and silver coins rather than dollar bills. This proposal additionally removes the restriction that does not allow a person to use coins to pay their debt. At this time, DOR does not accept coins. Since this would allow for the payment of coins, DOR would need at least 2 coin counters with counterfeit detection devices. These are estimated at $1,000 apiece. If it is determined that DOR would have to supply their license offices with these coin counters it would cost an additional $173,000 ($1,000 & 173).

Additionally, this proposal will require DOR to have larger safes to store gold and silver until bank transfer and additional security features for the three rooms in its headquarters where money is accepted. Additionally, security services may be needed if a large volume of gold and silver is received. The impact from the equipment upgrades could exceed $200,000 and the impact from the acceptance of gold or silver is unknown to general revenue, total state revenue and numerous other state and local funds.

This proposal would also require DOR to get a new contract with the bank the state uses. Currently, coins and gold and silver are not processed under their contract. DOR would need to bid to find a bank that would be willing to handle these items for us. At this time, DOR does not have how much additional, these services would cost.

This proposal in 408.010.4 prevents all state and local governmental bodies from seizing any gold or silver that is owned by a person. If a taxpayer owes DOR back taxes, they would have the opportunity to move all their income to gold or silver and prohibit DOR from being able to collect the back taxes owed. DOR is unable to determine how this will impede their collection efforts. The impact is negatively unknown but could exceed $250,000 annually.

In response to a similar proposal (HCS for SB 100), officials from **B&P** noted section 408.010 would allow gold and silver coinage to be legal tender in Missouri. B&P notes that certain gold and silver coins are already considered legal tender under Federal law. However, federal law prohibits the use of privately created gold and/or silver coins from being used as currency.

In addition, state agencies would be required accept gold and silver at their spot price plus market premium, rather than at their par value. B&P notes that the spot price changes daily, which in turn impacts the market premium. B&P further notes that under current law the par value for gold is $42.22 per ounce. While the spot price for gold on 2/2/2023 was $1,932.00 and the spot price for silver was $0.76 per gram. In addition, the market premium for gold is currently 2% - 3.75%. This proposal does not specify which rate the state should use when calculating a dollar value for the market premium. Therefore, on 2/2/2023 the state would have to accept an ounce of gold for $ 1,070.64 to $2,004.45 per ounce. B&P notes that because the spot price changes daily, it is possible that an agency could accept a certain dollar value of gold and/or silver one day, but receive a different amount when those assets were converted to dollars. Therefore, this provision may have an unknown impact on TSR, GR, and other state funds.

Subsection 408.010.4 prevents all state and local government bodies from seizing any gold and silver held by a person. B&P notes that this would allow individuals and businesses to store or move assets into gold and/or silver in order to avoid having assets seized. This would allow taxpayers to move their assets to gold and/or silver coins in order to avoid paying back taxes to the state. Therefore, this provision may have a negative unknown impact to TSR, GR, as well as other state and local funds.

In response to a similar proposal (HCS for SB 100), officials from **the Department of Mental Health (DMH)** noted the state of Missouri shall accept gold and silver as payment for any debt, tax, or obligation owed. Costs incurred in the course of verification of the weight and purity of any gold or silver coinage during any such transaction shall be borne by the receiving entity.

DMH is unable to determine when and how often the department would receive payment in the form of gold or silver coins. Accepting payment in this form would create a substantial burden on DMH due to calculating value, determining purity and authenticity, and cost of depositing or selling. Fiscal impact from this additional administrative work is unknown.

While coins minted by the US treasury are legal tender, they are not widely used in financial transactions. The proposal states the state shall accept gold and silver coinage, but does not specify that coinage must be minted by the US treasury. Gold and silver coins created outside the US Treasury are not excluded. U.S. Constitution, Article. 1, §10, cl. 1 allows states to recognize gold and silver coinage as tender; however, the limits of this provision are largely untested in federal courts.

In response to a similar proposal (HCS for SB 100), officials from the **Department of Corrections** stated the proposed bill could have a cost to verify weight and purity as well as need to secure store, process and deposit legal tender. The department cannot project the number of payments received for legal tender of gold and silver therefore, this bill would have an unknown impact on the department.

In response to a similar proposal (HCS for SB 100), officials from the **Department of Labor and Industrial Relations** stated if this bill is interpreted to allow the Division of Employment Security (DES) to accept Gold/Silver coinage in the repayment of debt, this could cause an unknown impact to DES. DES would incur the cost of the verification of the weight and purity of the Gold/Silver. At this time, DOLIR does not have a way to estimate the cost.

In response to a similar proposal (HCS for SB 100), officials from the **Department of Social Services (DSS) MO HealthNet Division (MHD)** stated they are unable to determine how many people will want to pay with gold and silver rather than other forms of payment. Currently, the MHD has no way to determine the verification of the weight and the value of the purity of the gold or silver upon acceptance. If a participant chooses to pay with either gold or silver, the MHD would have to seek out different options in order for that payment to be assessed, including but not limited to, seeking out an Assayer to determine its value. The MHD assumes these instances would be minimal and therefore, would be minimal to no impact to the MHD.

This proposal in 408.010.4 also prevents all state and local governmental bodies from seizing any gold or silver that is owned by a person. Per RSMo 473.398, MHD is directed to collect debts owed to the State related to Medicaid claims. If all or a portion of assets are in gold or silver, it could limit the amount MHD can collect. The MHD is estimating that up to 1% of collections could be impacted by this legislation. On average, the MHD collects around $18 million per year. Therefore, the impact to MHD is $0 to $180,000 per year.

Also, DSS' state the proposed subsection 408.010.1 would impact **Child Support (CS)** by allowing gold and silver coinage to be legal tender in Missouri. Certain gold and silver coins are already considered legal tender under federal law. However, federal law prohibits the use of privately created gold and/or silver coins from being used as currency. For the purposes of this fiscal note, it is assumed that the FSD CS program would only accept gold and silver coinage that is considered legal tender under federal law.

This proposal will require the FSD CS program to accept gold and silver coinage as payment for child support obligations, for annual federal fee payments made by the obligor and for recovery payments. The proposal also allows the use of Federal Reserve notes (cash payments) as payment for the child support related debts. Child support payments are processed by FSD's State Disbursement Unit, the Family Support Payment Center (FSPC) which is run by FSD's contractor Systems & Method, Inc. (SMI). Fees and recovery payments are processed by the Division of Finance and Administrative Services (DFAS).

Under proposed 408.010.1, the FSD CS program shall accept gold and silver coinage at their spot price plus market premium. Gold and silver are commodities that change in value daily. Depending on the time it takes to convert the gold and silver coinage, the spot price could have changed leaving a balance or excess amount.

The FSD CS program is unable to determine how many people will want to pay with gold and silver rather than other forms of payment but it is assumed it would be minimal. Currently, the FSD CS program has no experience or ability to accept gold and silver as payment. In order to comply with this bill, the FSD CS program would need to enter into a contract with a financial entity that would accept and convert the gold and silver into a form of payment accepted by FSPC and DFAS. FSD CS or the financial entity may also need to contract with an assayer that would be able to verify the weight and value of the purity of the gold or silver.
The FSD CS program notes that under 408.010.4, obligors could move assets into gold and/or silver in order to avoid having assets attached by the FSD CS program for child support. It is unknown how many obligors may move assets into gold and/or silver and the negative impact for this is unknown.

The FSD CS program does not currently require payments in the form of digital currency.
The provisions of this legislation allows for the use of Federal Reserve notes (cash payments) in the payment of any debt. The FSD CS program does not currently accept cash. If a cash payment is received by a child support office, it is returned to the remitter following specific cash handling procedures. The FSD CS program assumes that under this proposed bill the FSD CS program would have to accept cash payments. The change to policy can be handled with existing staff.

The FSPC collects and disburses payments for child support cases meeting the criteria under 454.530, RSMo, and [45 CFR 302.32](). FSPC is required under federal and state law to disburse support payments within two business days after receipt. The FSD CS program would be required to process and disburse child support payments received in gold and silver coinage within the two day time frame to be in compliance with the Title IV–D state plan. As the gold and silver coinage would have to be authenticated and converted into a form of payment accepted by the FSPC prior to the FSPC processing and disbursing the payment, the FSD CS program anticipates the processing time could exceed the two–day time frame required for payment disbursement thereby risking state compliance.

If the FSD CS program does not disburse payments within two business days of receipt, Missouri could have IV–D state compliance implications. Title IV-D state plan noncompliance will result in the loss of federal funding for the state's child support program ($48.3 million for FFY 2022). Having an approved Title IV–D state plan is a condition of eligibility for a Temporary Assistance for Needy Families (TANF) block grant under Title IV–A of the Social Security Act. If the Federal government determines Missouri's IV–D state plan is noncompliant, Missouri's TANF funding ($216.3 million) could potentially be reduced. FSD is unsure how much the reduction in funding would amount to; therefore, this amount is not included in the overall fiscal impact of this legislation. In order to continue the CS program services at its current level, any loss of federal funding would have to be replaced with general revenue. Therefore, the fiscal impact of non–compliance would range from $0 to $48.3 million in general revenue.

The FSD estimates that the impact of entering into a contract with a financial entity and/or assayer to process gold and silver will be unknown, but estimated to be $0 to $100,000 per year.

Oversight will reflect a potential cost to various state agencies and local political subdivisions that accept payments – if they are now required to verify the weight and purity of any gold or silver coinage used as currency. For simplicity, Oversight will only reflect this potential cost to the state in the General Revenue Fund.

Oversight will also reflect a potential loss of federal funding due to non-compliance as described by the Department of Social Services.

<u>Section 408.012 Digital Currency</u>

In response to a similar proposal (HCS for SB 100), officials from **DOR** noted this provision would prohibit public entities from requiring certain types of currency over others. This would require public entities to accept all forms of legal tender including gold and silver along with cash, debit cards and credit cards. This will not have any additional impact on DOR that is not already listed above.

In response to a similar proposal (HCS for SB 100), officials from **B&P** noted section 408.012 would prevent the state from requiring digital currency as a form of payment. B&P notes that this this provision will not impact TSR.

Oversight assumes this provision would not create a fiscal impact on the state.

<u>Section 408.900 - Digital Asset Mining</u>

In response to a similar proposal (HCS for SB 100), officials from the **DOR** and **B&P** each assumed the proposal would not fiscally impact their respective agencies.
<u>Section 427.300 – Disclosure of Information Pertaining to Certain Commercial Financing Products</u>

Officials from the **Department of Commerce and Insurance (DCI)** assume the proposal would not fiscally impact their agency. DCI assumes there are very few companies that would register with the state (less than five), resulting in a non-material amount of registration revenue and administrative expense.

Officials from the **Attorney General's Office (AGO)** assume no fiscal impact from the proposal.

Oversight also notes §427.300.6 requires that any person who violates this section shall be punished by a fine of $500 per incident, not to exceed $20,000 for all aggregated violations. Any person who violates this section after receiving written notice of prior violation from the AGO shall be punished by a fine of $1,000 per incident, not to exceed $50,000 for all aggregated violations. Oversight will assume any potential fine revenue generated from this subsection will be distributed to local school districts instead of being credited to the state's Merchandising Practices Revolving Fund. For simplicity, Oversight will reflect a $0 or Unknown amount of fine revenue received by school districts. Oversight notes these amounts may act as a deduction in the following year school funding formula; however, Oversight will simply reflect a possible positive impact to schools from the fine revenue.

Section 431.204 – Business Covenants

In response to a similar proposal (HB 902), officials from the **Department of Labor and Industrial Relations**, the **Department of Commerce and Insurance**, the **Department of Natural Resources**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, the **Department of Economic Development**, the **Department of Corrections**, the **Missouri Department of Conservation**, and the **Office of Administration** each assumed the proposal will have no fiscal impact on their respective organizations

Sections 361.749 and 436.550 – 436.572 – Consumer Activities regulated by the Division of Finance

In response to a similar proposal (HCS for HB 628), officials from the **Department of Commerce and Insurance (DCI) – Division of Finance (DOF)** assumed the following

Section 361.749
DOF assumes this section creates a registration requirement for businesses that provided earned wage access services with an annual registration fee of $1,000 due on July 1 each year. For the purposes of this estimate, DOF assumes ten providers would register and renew annually, generating $10,000 in revenue each fiscal year.

DOF is required to create forms and processes for initial registrations and reporting changes material to the registrant's information. The Division would also issue certificates of registration. Development of and revisions to forms and processes for the program is estimated to take 40 hours annually at $25.00 per hour for a cost of $1,000. Additionally, DOF assumes registration would be allowed via paper and electronically, which would require website development and maintenance at a cost of $75 per hour, for an estimated 40 hours annually, resulting in a cost of $3,000.

Review of registration applications by a Consumer Credit Examiner would take approximately one hour each, at an average of $43.63 per hour. The processing and issuance of registration certificates by an Administrative Office Support Assistant would require an hour each at $20.76 per hour. The total processing cost for each registration would be $64.39. For the estimated 10 registrants, the estimated total annual cost is $644.

Subsection 361.749.7

DOF assumes this subsection allows the Commissioner or a representative to make necessary investigations. The Division assumes each registrant would be examined every two years resulting in five examinations each year. Each exam is expected to take an estimated sixteen hours. At an average hourly rate of $43.63, DOF estimates examination expenses at $9,865 annually.

The Commissioner of the Division of Finance is also granted power to promulgate any necessary rules for administration of this section in Subsection nine. Promulgation and revision of administrative rules would require an estimated 40 hours annually by Associate Legal Counsel X $43.27 per hour = $1,731.

Subsection ten allows for the imposition of penalties for failure to comply with this section. DOF assumes registrants would be compliant, and therefore, assumes no income from penalties.

In summary, DCI assumes a <u>net income</u> of $135 from this section in each year to provide for the implementation of the changes in this proposal to the Division of Finance Fund.

<u>Sections 436.550 – 436.570 - Consumer Legal Funding Model Act</u>

<u>Section 436.570</u>
DOF assumes section 436.570 requires consumer legal finance companies to be licensed by the Division of Finance. Applicants would be required to submit an initial application fee of $550 and an annual license renewal fee $550. For the purposes of this estimate, DOF has assumed the same number of businesses would participate in this program as are currently licensed under Chapter 367 which would generate revenue of $5,500-$8,250 annually, which would be credited to the Division of Finance Fund (0550).

Processing of applications and licenses and overhead costs are estimated at $150 per license. For 10-15 licensees, the estimated annual cost is ($1,500-$2,250). Additional hours and costs would be necessary if hearings are requested. For the purposes of this estimate, DOF assumes there would be no hearings required for Consumer Legal Funding Licensees.

Subsection 12 makes each licensee subject to an examination by DOF every two years. DOF assumes that these exams would be divided so that one-half of the licensees would be examined each year. Examinations are estimated to take 8.53-9.53 hours at an hourly rate of $85.00 per hour for personal services and expenses. For 5-8 examinations per year, the estimated cost is ($4,050-$5,800).

DOF is allowed to impose administrative fines of up to $1,000 on Consumer Legal Funding companies that knowingly and willfully violate these sections. For the purposes of this estimate, DOF assumes there will be no violations of these sections.

DOF assumes the workload for Sections 436.550-436.572 would be shifted to existing staff, replacing the workload lost from Chapter 367 licenses and paid by the Division of Finance Fund (0550).

Listed below is a summary of revenue and expenses to the Division of Finance Fund as estimated by DCI:

Revenue/Expenses	**FY 2024**	**FY 2025**	**FY 2026**
Licenses (Chapter 436)	$5,550 - $8,250	$5,550 - $8,250	$5,550 - $8,250
Processing & Applications/Administrative Cost	($1,500) – ($2,250)	($1,500) – ($2,250)	($1,500) – ($2,250)
Investigations & Examinations	($4,050) – ($5,800)	($4,050) – ($5,800)	($4,050) – ($5,800)
Chapter 367 Revenue Loss	($5,000- $7,500)	($5,000- $7,500)	($5,000- $7,500)
Chapter 367 Savings	$5,000 - $7,500	$5,000 - $7,500	$5,000 - $7,500
Total Expenses – Division of Finance Fund	**($50) – $200**	**($50) – $200**	**($50) – $200**

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the fiscal impact as estimated by DCI-DOF.

<u>Sections 469.399 – 469.487 – Trust and Estate Administration</u>

In response to similar legislation (HCS for HB 968), officials from the **Department of Commerce and Insurance** 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.
<u>Sections 475.275 –Pooled Estate Accounts</u>

In response to a similar proposal (HB 1013), officials from the **Department of Social Services** 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.

In response to similar legislation from this year (SB 365), officials from the **Office of the State Courts Administrator** 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, counties and county public administrators were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

Oversight notes §475.275.2(2) of this proposal removes the requirements of a county of a certain population (Jackson County) and opens the examination of accounts to all counties that are pooled for investing and management of estate funds to be examined on at least an annual basis. The proposal describes what will be examined and placed into a report which shall be paid by the county as outlined in §475.275.2(4). Oversight assumes all other counties could be impacted by this proposal, but is unclear by how much. Therefore, Oversight will reflect a $0 to negative unknown fiscal impact to counties for this proposal.

<u>§§569.100 and 570.030 – Teller machines</u>

In response to a similar proposal (SB 186), officials from the **Department of Corrections (DOC)** stated this bill modifies section 569.100 to include the offense of tampering with a teller machine and associated penalties and modifies section 570.030 to include the offense of stealing a property that is a teller machine or the content of a teller machine including cash regardless of the value or amount.

The offense of tampering with a teller machine is a class D felony unless the offense is committed for the purpose to defraud or obtain any property worth seven hundred fifty dollars or more or the damage of a machine of seven hundred and fifty dollars is a class C felony. Any second or subsequent offense is a class B felony. The offense of stealing a teller machine is a second class C felony.

The intent of the bill is to create a class D felony, two class C felonies, and a class B felony.

Operational Impact
For each new nonviolent class D felony, the department estimates three people will be sentenced to prison and five to probation. The average sentence for a nonviolent class D felony offense is 5 years, of which 2.8 years will be served in prison with 1.7 years to first release. The remaining 2.2 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 8 additional offenders in prison and 16 additional offenders on field supervision by FY 2026.

Change in prison admissions and probation openings with legislation-Class D Felony (nonviolent)

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	3	3	3	3	3	3	3	3	3	3
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	5	5	5	5	5	5	5	5	5	5
Change (After Legislation - Current Law)										
Admissions	3	3	3	3	3	3	3	3	3	3
Probations	5	5	5	5	5	5	5	5	5	5
Cumulative Populations										
Prison	3	6	8	8	8	8	8	8	8	8
Parole			1	4	7	7	7	7	7	7
Probation	5	10	15	15	15	15	15	15	15	15
Impact										
Prison Population	3	6	8	8	8	8	8	8	8	8
Field Population	5	10	16	19	22	22	22	22	22	22
Population Change	**8**	**16**	**24**	**27**	**30**	**30**	**30**	**30**	**30**	**30**

For two new class C felonies, the department estimates eight people will be sentenced to prison and twelve to probation. The average sentence for a class C felony offense is 6.9 years, of which 3.7 years will be served in prison with 2.1 years to first release. The remaining 3.2 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 30 additional offenders in prison and 54 additional offenders on field supervision by FY 2029.

Change in prison admissions and probation openings with legislation

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	8	8	8	8	8	8	8	8	8	8
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	12	12	12	12	12	12	12	12	12	12
Change (After Legislation - Current Law)										
Admissions	8	8	8	8	8	8	8	8	8	8
Probations	12	12	12	12	12	12	12	12	12	12
Cumulative Populations										
Prison	8	16	24	30	30	30	30	30	30	30
Parole	0	0	0	2	10	18	26	26	26	26
Probation	12	24	36	36	36	36	36	36	36	36
Impact										
Prison Population	8	16	24	30	30	30	30	30	30	30
Field Population	12	24	36	38	46	54	62	62	62	62
Population Change	20	40	60	68	76	84	92	92	92	92

Given the seriousness of class B felony offenses and that the introduction of a completely new class B felony offense is a rare event, the department assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class B felony as their most serious sentence, had an average sentence length of 9.0 years and served, on average, 3.4 years in prison prior to first release. The department assumes one third of the remaining sentence length will be served in prison as a parole return, and the rest of the sentence will be served on supervision in the community.

The cumulative impact on the department is estimated to be 5 additional offenders in prison and 0 additional offenders on field supervision by FY 2027.

Change in prison admissions and probation openings with legislation

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	0	0	0	0	0	0	0	0	0	0
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations										
Cumulative Populations										
Prison	1	2	3	4	5	5	5	5	5	5
Parole						1	2	3	4	4
Probation										
Impact										
Prison Population	1	2	3	4	5	5	5	5	5	5
Field Population						1	2	3	4	4
Population Change	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**9**

Combined Estimated Cumulative Impact

The combined estimated cumulative impact of a new class D felony, two new class C felonies, and a new class B felony on the department is estimated to be 43 additional offenders in prison and 68 additional offenders on field supervision by FY 2028.

Change in prison admissions and probation openings with legislation

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	12	12	12	12	12	12	12	12	12	12
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	17	17	17	17	17	17	17	17	17	17
Change (After Legislation - Current Law)										
Admissions	12	12	12	12	12	12	12	12	12	12
Probations	17	17	17	17	17	17	17	17	17	17
Cumulative Populations										
Prison	12	24	35	42	43	43	43	43	43	43
Parole	0	0	1	6	17	26	35	36	37	37
Probation	17	34	51	51	51	51	51	51	51	51
Impact										
Prison Population	12	24	35	42	43	43	43	43	43	43
Field Population	17	34	52	57	68	77	86	87	88	88
Population Change	29	58	87	99	111	120	129	130	131	131

	# to prison	Cost per year	Total Costs for **prison**	Change in probation & parole officers	Total cost for **probation and parole**	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	12	($9,499)	($94,990)	0	$0	17	($94,990)
Year 2	24	($9,499)	($232,536)	0	$0	34	($232,536)
Year 3	35	($9,499)	($345,897)	1	($86,494)	52	($432,391)
Year 4	42	($9,499)	($423,377)	1	($78,871)	57	($502,248)
Year 5	43	($9,499)	($442,127)	1	($79,714)	68	($521,841)
Year 6	43	($9,499)	($450,970)	1	($80,569)	77	($531,539)
Year 7	43	($9,499)	($459,989)	1	($81,432)	86	($541,421)
Year 8	43	($9,499)	($469,189)	1	($82,308)	87	($551,497)
Year 9	43	($9,499)	($478,572)	1	($83,191)	88	($561,763)
Year 10	43	($9,499)	($488,144)	1	($84,086)	88	($572,230)

If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is $26.024 per day or an annual cost of $9,499 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is $87.46 per day or an annual cost of $31,921 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

Oversight does not have any information contrary to that provided by DOC. However, Oversight assumes the number of new prisoners detained for these charges will not reach the estimate provided by DOC, but we don't have an estimate of the number of new convictions. Therefore, Oversight will reflect the fiscal impact as "less than" DOC's estimated impact for fiscal note purposes.

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
Loss - §30.266 – of interest income if STO holds at least 1% of All State Funds in gold and/or silver p. 3-4	$0 or ($1,157,333)	$0 or ($1,388,800)	$0 or ($1,388,800)
Loss §30.753 opportunity for higher returns STO – if additional monies are utilized in the Linked Deposit Program p. 4-6	$0 or More or Less than ($1,100,000)	$0 or More or Less than ($1,320,000)	$0 or More or Less than ($1,320,000)
Loss – DOR §143.121 – capital gains on the exchange of gold and silver now a deduction for MAGI calculation p. 6-7	$0	(Unknown)	(Unknown)
Costs - DESE - to convene a work group - §170.281 p. 7-8	($20,754)	$0	$0

FISCAL IMPACT – State Government (cont)	FY 2024 (10 Mo.)	FY 2025	FY 2026
Revenue Loss – 285.1000 – 285.1055 from pre-tax contributions that otherwise would have been taxed (p. 8-10)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
Transfer Out – 285.1000 – 285.1055 to Show-Me My-Retirement Savings Fund – to start up / administer the program (p. 8-10)	$0 to (Unknown, Could exceed $2,000,000)	$0 to (Unknown, Could exceed $2,000,000)	$0 to (Unknown, Could exceed $2,000,000)
Cost –DOC §§361.980 & 361.1023 – increased incarceration costs p. 17	($23,748)	($58,134)	($59,297)
Costs –DOR §408.010 p. 21-25	Could exceed…	Could exceed….	Could exceed…..
Personal Service	($50,833)	($62,220)	($63,464)
Fringe Benefits	($31,532)	($38,284)	($38,738)
Expense & Equipment	($17,274)	($570)	($582)
Security items & materials	($220,000)	($0)	($0)
Total Costs	($319,639)	($101,074)	($102,784)
FTE Change	1 FTE	1 FTE	1 FTE
Costs –Various other State Agencies - §408.010 – potential cost to verify the weight and purity of any gold or silver coinage received as payment p. 21-25	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
Loss – DOR - 408.010.4 – potential inability to collect debts if not allowed to seize gold or silver p. 21-25	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
Cost – DOC p. 32 (§§569.100 and 570.030) Increase in P&P officers	Less than...	Less than…	Less than…
Personal service	$0	$0	($42,589)
Fringe benefits	$0	$0	($31,833)
Equipment and expense	$0	$0	($12,072)
Increased incarceration costs	($94,990)	($232,536)	($345,897)
Total cost - DOC	($94,990)	($232,536)	($432,391)
FTE Change - DOC	0 FTE	0 FTE	0 - 1 FTE

FISCAL IMPACT – State Government (cont)	FY 2024 (10 Mo.)	FY 2025	FY 2026
ESTIMATED NET EFFECT TO GENERAL REVENUE	**($459,131) to Could exceed ($4,716,464)**	**($391,744) to Could exceed ($5,100,544)**	**($594,472) to Could exceed ($5,303,272)**
Estimated Net FTE Change on General Revenue	Could exceed 1 FTE	Could exceed 2 FTE	Could exceed 2 FTE
OTHER STATE FUNDS			
Loss –§30.266 – of interest income if STO holds at least 1% of All State Funds in gold and/or silver p. 3-4	$0 or ($2,335,333)	$0 or ($2,802,400)	$0 or ($2,802,400)
Loss - §30.753 opportunity for higher returns STO–if additional monies are utilized in the Linked Deposit Program p. 4-6	$0 or More or Less than ($2,333,333)	$0 or More or Less than ($2,680,000)	$0 or More or Less than ($2,680,000)
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	**(Unknown, could exceed $4,668,666**	**(Unknown, could exceed $5,482,400)**	**(Unknown, could exceed $5,482,400)**
DIVISION OF FINANCE FUND (0550)			
Revenue – DCI Increase in annual license fees §§361.020 - 408.500 p. 11	$77,800	$221,400	$221,400
Revenue – §361.749.2 – DCI - Registration Fees p. 26	$10,000	$10,000	$10,000
Cost – §361.479 - DCI Administrative Cost p. 27	($9,865)	($9,865)	($9,865)
Revenue – §§436.550 -436.572 – DCI - Licenses Fees p. 27	$5,550 to $8,250	$5,550 to $8,250	$5,550 to $8,250

FISCAL IMPACT – State Government (cont)	FY 2024 (10 Mo.)	FY 2025	FY 2026
Savings –repealing §§361.700 to 361.729 DCI p. 15	$54,600	$54,600	$54,600
Revenue loss – §361.900 – 361.1035 - DCI – reduction of licensing fees p. 14	($54,600)	($54,600)	($54,600)
Savings –§§436.550 -436.572 – DCI - Chapter 367 Administrative Cost p. 28	$5,000 to $7,500	$5,000 to $7,500	$5,000 to $7,500
Revenue –§§361.900 – 361.1035 - DCI – money transmitter fees p. 15	$903,874	$912,214	$929,332
Cost –§§361.900 – 361.1035 - DCI			
Personal Services	($347,197)	($354,141)	($361,224)
Fringe Benefits	($172,672)	($167,658)	($170,032)
Expenses	($306,025)	($312,145)	($318,388)
Administrative Overhead (15%)	($77,980)	($78,270)	($79,688)
Total Cost	($903,874)	($912,214)	($929,332)
FTE Change – DCI	0 FTE	0 FTE	0 FTE
Loss –§§436.550 -436.572 – DCI Chapter 367 Licenses	($5,000) to ($7,500)	($5,000) to ($7,500)	($5,000) to ($7,500)
ESTIMATED NET EFFECT TO THE DIVISION OF FINANCE FUND (0550)	**$83,485 to $86,185**	**$177,945 to $180,645**	**$177,945 to $180,645**
Estimated Net FTE Change on the Division of Finance Fund	0 net FTE	0 net FTE	0 net FTE
SHOW-ME MYRETIREMENT SAVINGS ADMINISTRATIVE FUND			
Revenue Gain – 285.1000 – 285.1055 from fees, gifts, donations or other funds p. 8-10	$0 or Unknown	$0 or Unknown	$0 or Unknown
Transfer In - 285.1000 – 285.1055 from General Revenue p. 8-10	$0 to Unknown, Could exceed $2,000,000	$0 to Unknown, Could exceed $2,000,000	$0 to Unknown, Could exceed $2,000,000

FISCAL IMPACT – State Government (cont)	FY 2024 (10 Mo.)	FY 2025	FY 2026
Cost – STO 285.1000 – 285.1055	$0 or …	$0 or …	$0 or …
Personal Service	($75,983)	($92,092)	($93,013)
Fringe Benefits	($48,572)	($58,618)	($58,953)
Expense & Equipment	($28,500)	($10,918)	($11,246)
Total Cost – STO	($153,055)	($161,628)	($163,212)
FTE Change – STO p. 8-10	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE
Costs - 285.1000 – 285.1055 Board - administrative, travel expenses, legal, IT, staff and other start-up costs (p. 3)	$0 or (Unknown, Could exceed $1,782,551)	$0 or (Unknown, Could exceed $1,760,327)	$0 or (Unknown, Could exceed $1,757,964)
ESTIMATED NET EFFECT ON SHOW-ME MYRETIREMENT SAVINGS ADMINISTRATIVE FUND	**$0 or Unknown**	**$0 or Unknown**	**$0 or Unknown**
Estimated Net FTE Change on the Show-Me My-Retirement Administrative Fund	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE

FISCAL IMPACT – Federal Government	FY 2024 (10 Mo.)	FY 2025	FY 2026
FEDERAL FUNDS			
Loss of Federal Funds – DSS from 408.010 p. 25	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**

FISCAL IMPACT – Local Government	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISIONS			
Costs Schools - to offer a one-half unit of credit for personal finance - §170.281	$0	$0 or (Unknown)	$0 or (Unknown)

FISCAL IMPACT – Local Government (cont)	FY 2024 (10 Mo.)	FY 2025	FY 2026
Fine Revenue – To school districts - §427.300.6	$0 or Unknown	$0 or Unknown	$0 or Unknown
Revenue - §407.2080 - School districts - Fines from violations	$0 to Unknown	$0 to Unknown	$0 to Unknown
Savings - §30.753 – Local political subdivisions – Linked Deposit Participation	$0 to Unknown	$0 to Unknown	$0 to Unknown
Cost –§475.275 - Counties – of examination of accounts and preparation of reports done on estate funds	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)
Loss – §376.414 – Local political subdivisions - Elimination of channel management programs p. 20	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	**Unknown to (Unknown)**	**Unknown to (Unknown)**	**Unknown to (Unknown)**

FISCAL IMPACT – Small Business

A direct fiscal impact to certain small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions related to financial affairs.

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 Commerce and Insurance
Department of Corrections
Office of the State Public Defender
Sheriff's Retirement System
Attorney General's Office
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 Mental Health
Department of Natural Resources
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
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
Missouri State Employee's Retirement System
Missouri Office of Prosecution Services
City of Kansas City
City of Springfield
Kansas City Employees' Retirement System
Metropolitan St. Louis Sewer District Employees Pension Plan
Rock Community Fire Protection District Retirement Plan
Office of the Lieutenant Governor
Office of the State Auditor
Joint Committee on Administrative Rules
Joint Committee on Education
Joint Committee on Public Employee Retirement
Legislative Research
Oversight Division
Missouri Senate
Missouri Lottery
Missouri Consolidated Health Care Plan

State Tax Commission
Office of the Secretary of State
Department of Public Safety – Missouri Highway Patrol
Office of the State Courts Administrator

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