

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0303H.09C  
Bill No.: HCS for SS No. 2 for SCS for SB 10  
Subject: Department of Public Safety; Tax Credits; Transportation; Political Subdivisions;  
Construction and Building Codes; Department of Economic Development;  
Economic Development; Education, Elementary and Secondary; Teachers; Health  
Care  
Type: Original  
Date: May 8, 2025

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Bill Summary: This proposal modifies the termination dates of certain sections.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Fully Implemented (FY 2032)</b>
General Revenue*	More or Less than (\$349,382)	More or Less than \$605,573	More or Less than \$2,310,528	More or Less than \$2,310,528
<b>Total Estimated Net Effect on General Revenue</b>	<b>More or Less than (\$349,382)</b>	<b>More or Less than \$605,573</b>	<b>More or Less than \$2,310,528</b>	<b>More or Less than \$2,310,528</b>

\*Oversight notes this proposal adds a sunset clause to various tax credits. Oversight notes if the tax credits were allowed to sunset this would result in cost savings to general revenue of approximately \$110 million based on redemptions beginning in FY 2032. For simplicity, Oversight did not include this savings in the estimates above.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Fully Implemented (FY 2032)</b>
University Funds	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)
Chemical Emergency Preparedness (0587)	\$834,508	\$1,001,410	\$1,001,410	\$1,001,410
Ambulance Services Reimbursement Allowance*** (0958)	\$0	\$0	\$0	\$7,980,000
Nursing Facility Federal Reimbursement Allowance**** (0196)	\$0	\$0	\$0	\$168,200,000
Federal Reimbursement Allowance***** (0142)	\$0	\$0	\$0	\$1,220,000,000
Pharmacy Reimbursement Allowance* (0144)	\$0	\$0	\$0	\$46,500,000
ICR/MR Reimbursement Allowance** (0901)	\$0	\$0	\$0	\$5,880,000
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$834,508</b>	<b>\$1,001,410</b>	<b>More or less than \$1,001,410</b>	<b>More or less than \$1,449,561,410</b>

\* Oversight assumes expenditure of approximately \$46.5 million annually for a net of \$0.

\*\* Oversight assumes expenditure of approximately \$5.88 million annually for a net of \$0.

\*\*\* Oversight assumes expenditure of approximately \$7.98 million annually for a net of \$0.

\*\*\*\* Oversight assumes expenditure of approximately \$168.2 million annually for a net of \$0.

\*\*\*\*\* Oversight assumes expenditure of approximately \$1.22 billion annually for a net of \$0.

**Oversight notes the extensions of the federal reimbursement allowance taxes removes the expiration date of September 30, 2029.**

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Fully Implemented (FY 2032)</b>
Federal*	\$0	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds**</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* FRA Income and expenditures of approximately \$95 million annually and net to \$0. \*\*

**Oversight notes the extensions of the federal reimbursement allowance taxes expire September 30, 2029.**

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Fully Implemented (FY 2032)</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Fully Implemented (FY 2032)</b>
<b>Local Government</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. 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 32.125 - Neighborhood Assistance (NAP) and Affordable Housing Assistance (NAP)**

Officials from the **Department of Revenue (DOR)** note:

#### *Neighborhood Assistance Tax Credit Program*

This proposal adds a sunset clause to the Neighborhood Assistance Tax Credit program. The Neighborhood Assistance Tax Credit program has a \$16 million cap with the credit based on 50% of the contribution made. For informational purposes we are providing the amount authorized, issued and redeemed for this credit.

#### Neighborhood Assistance Tax Credit

Year	Authorized	Issued	Total Redeemed
FY 2024	\$12,804,707.00	\$10,200,112.00	\$9,185,734.75
FY 2023	\$15,028,834.00	\$12,330,085.00	\$9,107,306.80
FY 2022	\$12,673,134.00	\$11,113,005.75	\$8,067,535.14
FY 2021	\$11,924,548.00	\$9,048,913.00	\$8,623,742.15
FY 2020	\$13,890,324.00	\$8,703,761.00	\$9,471,230.74
FY 2019	\$15,035,823.00	\$10,377,614.00	\$8,947,215.78
FY 2018	\$14,981,906.00	\$12,367,630.00	\$10,922,806.90
FY 2017	\$14,041,962.00	\$14,490,650.00	\$14,831,654.17
FY 2016	\$13,553,852.00	\$13,761,480.00	\$10,318,970.97
FY 2015	\$15,974,536.00	\$11,435,785.00	\$8,230,285.75
FY 2014	\$11,513,379.00	\$9,640,126.00	\$10,848,983.24
FY 2013	\$14,996,900.00	\$10,144,225.00	\$7,392,112.96
FY 2012	\$11,577,412.00	\$8,493,103.00	\$9,757,094.83

This proposal adds a sunset clause to this program. While adding the sunset clause will not result in any fiscal impact at this time; should the program be allowed to sunset in the future this could result in savings to the state of \$16 million annually.

*Affordable Housing Tax Credit*

This proposal is adding a sunset clause to the Affordable Housing Tax Credit program. The Affordable Housing Tax Credit program currently provides a tax credit for 55% of a contribution made. The credit currently has an \$11 million cap. For informational purposes we are providing the amount authorized, issued and redeemed for this credit.

## Affordable Housing Tax Credit

Year	Authorized	Issued	Total Redeemed
FY 2024	\$2,769,394.00	\$5,263,913.00	\$5,211,902.60
FY 2023	\$8,932,400.00	\$4,174,401.00	\$8,716,793.01
FY 2022	\$4,835,176.00	\$10,482,025.00	\$3,619,925.08
FY 2021	978,796.00	\$3,592,427.00	\$4,119,705.33
FY 2020	\$10,971,408.00	\$4,510,701.00	\$4,025,790.93
FY 2019	\$4,253,693.00	\$3,308,659.00	\$5,001,344.36
FY 2018	\$4,676,726.00	\$6,145,103.00	\$4,752,091.91
FY 2017	\$10,347,442.00	\$7,386,034.00	\$10,172,259.92
FY 2016	\$10,988,370.00	\$13,171,092.00	\$8,484,672.81
FY 2015	\$10,901,753.00	\$8,717,177.00	\$3,358,807.75
FY 2014	\$8,197,923.00	\$4,844,279.00	\$5,620,749.73
FY 2013	\$6,495,974.00	\$4,967,887.00	\$7,406,987.96
FY 2012	\$4,871,580.00	\$5,990,591.00	\$5,629,465.92

This proposal adds a sunset clause to this program. While adding the sunset clause will not result in any fiscal impact at this time; should the program be allowed to sunset in the future this could result in savings to the state of \$11 million annually.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this proposal would add a sunset clause to the AHAP, NAP, and Development tax credits. B&P notes that the Development tax credit was closed during the creation of MO Works. The three-year average redemptions for AHAP were \$5,849,540 and for NAP they were \$8,786,859 in FY22-FY24. Therefore, B&P estimates that if the credits are allowed to sunset, this could increase GR by \$14,636,399 (\$5,849,540 + \$8,786,859) annually.

**§§67.5050 & 67.5060 – Management-At-Risk and Design-Build Methods of Construction**

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **McDonald County, Northwest Missouri State University**, the **Department of Economic Development**, and the **City of Springfield** each assumed 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 the local political subdivisions would not use the Management-At-Risk or the Design Build methods of construction unless it would either save money, provide some other benefit, or be absorbed within current budget appropriations. Therefore, Oversight will assume the proposal could have a positive fiscal impact to local political subdivisions from this proposal and will range the fiscal impact from \$0 to an unknown amount of savings.

### **Section 100.286 - MDFB Infrastructure Tax Credit**

Officials from the **Department of Revenue (DOR)** note:

This proposal adds a sunset clause to the MDFB Infrastructure tax credit program. This proposal gives a credit for contributions made to fund large scale infrastructure projects. This program currently has a cap of \$25,000,000. Here are the authorizations, issuances, and redemptions the last several years.

Year	Authorized	Issued	Total Redeemed
FY 2024	\$5,625,000.00	\$2,453,497.32	\$9,710,859.50
FY 2023	\$11,500,000.00	\$9,195,015.82	\$6,786,698.92
FY 2022	\$7,850,000.00	\$9,903,206.48	\$4,269,565.19
FY 2021	\$0.00	\$6,513,798.58	\$3,750,910.72
FY 2020	\$10,752,500.00	\$6,626,743.09	\$6,642,115.08
FY 2019	\$10,250,000.00	\$5,904,204.98	\$5,574,589.21
FY 2018	\$14,060,000.00	\$7,297,631.85	\$8,129,507.44
FY 2017	\$4,600,000.00	\$4,985,580.79	\$13,949,851.18
FY 2016	\$24,241,700.00	\$14,826,445.78	\$13,094,318.78
FY 2015	\$3,158,300.00	\$8,711,789.65	\$14,792,340.70
FY 2014	\$35,842,500.00	\$27,698,346.61	\$19,474,867.89
FY 2013	\$6,557,830.00	\$7,029,161.41	\$14,804,416.35
FY 2012	\$13,313,670.00	\$11,091,771.88	\$33,444,753.56

This proposal adds a sunset clause to the program. Adding the sunset clause does not result in a fiscal impact at this time; however, should the program actually be allowed to sunset this could result in an unknown savings to the State of up to the \$25 million annually allowed to be authorized.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the MDFB Infrastructure tax credit. The three-year average redemptions were \$6,922,375 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$6,922,375 annually.

**Oversight** notes if the credits are allowed to sunset, it could result in a savings to general revenue ranging from the above provided amount up to the maximum cap of \$25 million after December 2031. For purposes of this fiscal note, Oversight will not show savings from the sunset provision.

**Section 100.297 - Missouri Development Finance Board (MDFB) Bond Guarantee Tax Credit**

Officials from the **Department of Revenue (DOR)** note:

This provision adds a sunset clause to the MDFB Bond Guarantee tax credit program. This program has \$48,000,000 in outstanding credit cap remaining. For the last 10 years this program has not issued any credits. These credits are given should a bond company default and other companies help secure the bonds. For their help, they are awarded credits.

This proposal adds a sunset clause to the program. Adding the sunset clause does not result in a fiscal impact at this time; however, should the program actually be allowed to expire this could result in an unknown savings to the State of up to the \$48 million allowed to be authorized.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the MDFB Bond Guarantee tax credit. B&P notes that there have been no redemptions since FY 2007. Therefore, B&P estimates that this provision will not impact TSR and GR.

For purposes of this fiscal note, **Oversight** will not show savings from the sunset provision.

**Section 100.850 - Business Use Incentive for Large Development Tax Credit (BUILD)**

Officials from the **Department of Revenue (DOR)** note:

This provision adds a sunset clause to the BUILD tax credit program. The tax credit program offers incentives to offset the infrastructure and other capital costs of certain large projects. The program has a \$25,000,000 annual cap.

Year	Authorized	Issued	Total Redeemed
FY 2024	\$19,028,242.07	\$7,627,412.67	\$16,547,987.80
FY 2023	\$17,724,336.08	\$9,946,806.62	\$8,900,471.06
FY 2022	\$4,519,976.00	\$17,119,484.70	\$16,992,824.62
FY 2021	\$3,725,609.71	\$17,581,613.54	\$12,343,210.35
FY 2020	\$38,708,086.30	\$16,443,339.34	\$8,897,698.24
FY 2019	\$23,523,150.01	\$15,749,740.98	\$13,776,255.52
FY 2018	\$32,665,260.50	\$14,194,083.01	\$9,818,473.29
FY 2017	\$9,033,352.97	\$10,946,789.59	\$10,433,122.10

FY 2016	\$30,376,756.28	\$9,040,815.85	\$8,389,892.09
FY 2015	\$12,795,004.46	\$10,612,876.07	\$7,990,466.34
FY 2014	\$18,504,991.67	\$6,318,995.87	\$8,533,926.13
FY 2013	\$29,627,546.40	\$9,969,516.20	\$8,212,532.51
FY 2012	\$9,102,892.56	\$9,084,677.16	\$6,591,947.62

This proposal adds a sunset clause to the program. Adding the sunset clause does not result in a fiscal impact at this time; however, should the program actually be allowed to sunset this could result in an unknown savings to the State of up to the \$25 million annually allowed to be authorized.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the BUILD tax credit. The three-year average redemptions were \$14,147,095 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$14,147,095 annually.

**Oversight** notes if the credits are allowed to sunset, it could increase general revenue ranging from the above provided amount up to the maximum cap \$25 million after 2031. For purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

### **Section 135.432 - Small Business Incubator Tax Credit**

Officials from the **Department of Revenue (DOR)** note:

This proposal adds a sunset clause to the MO Small Business tax credit program. This proposal has already stopped which means this would not result in any additional fiscal impact.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Community Development tax credit. B&P notes that there have been no redemptions since FY 2011. Therefore, B&P estimates that this provision will not impact TSR and GR.

**Oversight** notes the DOR and B&P both assume no impact stemming from the Section 135.432 since no tax credit has been redeemed since 2011. Therefore, Oversight will note zero impact to the general revenue for above tax credit.

### **Section 135.460 - Youth Opportunity Tax Credit**

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the YOP tax credit. The three-year average redemptions were \$2,926,896 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$2,926,896 annually.



Officials from the **Department of Economic Development (DED)** assumed the Section 135.460.10 adds a sunset date for Youth Opportunities Program of 12/31/2030 if it is not reauthorized. Could be future cost savings if not reauthorized.

Officials from the **Department of Revenue (DOR)** notes:

This proposal adds a sunset clause to the Youth Opportunities Tax Credit program. The Youth Opportunities tax credit program has a \$6 million cap with the credit based on 50% of the contribution made. For informational purposes we are providing the amount authorized, issued and redeemed for this credit.

Year	Authorized	Issued	Total Redeemed
FY 2024	\$9,756,101.00	\$4,706,331.00	\$3,468,054.65
FY 2023	\$2,247,858.00	\$4,139,385.00	\$2,987,947.79
FY 2022	\$5,706,067.00	\$3,039,904.00	\$2,324,687.48
FY 2021	\$5,288,870.00	\$1,983,794.00	\$4,084,410.34
FY 2020	\$1,212,623.00	\$4,086,770.50	\$5,217,305.77
FY 2019	\$5,169,666.00	\$5,822,539.00	\$4,040,657.57
FY 2018	\$6,826,426.00	\$5,726,775.00	\$4,818,711.26
FY 2017	\$5,642,936.00	\$6,349,945.00	\$5,451,135.04
FY 2016	\$6,375,728.00	\$5,411,972.00	\$4,706,636.11
FY 2015	\$7,041,012.00	\$5,325,506.00	\$4,247,824.65
FY 2014	\$5,941,601.50	\$5,080,128.00	\$5,239,666.42
FY 2013	\$5,609,784.00	\$5,571,555.00	\$3,906,262.62
FY 2012	\$5,843,692.62	\$4,152,310.83	\$4,979,894.20

This proposal adds a sunset clause to the program. Adding the sunset clause does not result in a fiscal impact at this time; however, should the program actually be allowed to sunset this could result in an unknown savings to the State of up to the \$6 million annually allowed to be authorized.

**Oversight** notes that the average redemption from FY 2012 thru FY 2024 was \$4,267,169. Therefore, Oversight assumes there could be a savings to the general revenue after December 31, 2031 that could exceed the 12 year average redemption \$4,267,169 if the program is allowed to sunset. For purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

### **Section 135.487 - Neighborhood Preservation Tax Credit Program**

Officials from **DOR** assume this proposal adds a sunset clause to the Neighborhood Preservation Tax Credit program. This program awards credits for contributions to neighborhood preservation

projects. The program has a \$16 million annual cap. For informational purposes we are providing the amount authorized, issued and redeemed for this credit.

Year	Authorized	Issued	Total Redeemed
FY 2024	\$9,100,000.00	\$8,159,715.40	\$4,333,513.50
FY 2023	\$8,050,000.00	\$4,284,239.16	\$4,667,599.99
FY 2022	\$0.00	\$4,005,863.64	\$3,134,422.45
FY 2021	\$8,050,000.00	\$5,082,098.68	\$7,011,854.52
FY 2020	\$8,094,250.00	\$5,879,298.43	\$3,658,595.10
FY 2019	\$8,171,250.00	\$4,830,622.10	\$2,807,206.80
FY 2018	\$8,290,583.75	\$3,923,399.76	\$3,293,154.79
FY 2017	\$8,121,865.00	\$2,538,319.73	\$3,147,042.54
FY 2016	\$1,007,875.82	\$11,197,639.74	\$2,963,956.74
FY 2015	\$8,210,050.00	\$3,090,703.26	\$1,766,762.55
FY 2014	\$7,015,264.52	\$2,199,211.15	\$1,789,898.44
FY 2013	\$9,352,479.69	\$2,305,114.68	\$1,232,213.95
FY 2012	\$9,145,201.93	\$969,306.53	\$2,159,654.10

This proposal adds a sunset clause to the program. Adding the sunset clause does not result in a fiscal impact at this time; however, should the program actually be allowed to sunset this could result in an unknown savings to the State of up to the \$16 million annually allowed to be authorized.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Neighborhood Preservation tax credit. The three-year average redemptions were \$4,045,178 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$4,045,178 annually.

**Oversight** notes that for purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

In response to similar legislation from this year, HCS for HB 1007, officials from the **Department of Economic Development (DED)** assume Section 135.487 adds a sunset date for Neighborhood Preservation Act of 08/28/2031 if it is not reauthorized.

### **Section 135.490 - Disabled Access for Small Business Tax Credit Program**

Officials from the **Department of Revenue (DOR)** note:

This provision adds a sunset clause to the disabled access for small business tax credit program. This program awards credits to reimburse business owners for improving access to the disabled

to the business. This program does not have an annual cap. For informational purposes they are showing the amount redeemed the last several years.

Year	Total Redeemed
FY 2025	\$0.00
FY 2024	\$3,194.00
FY 2023	\$2,423.00
FY 2022	\$1,913.00
FY 2021	\$7,739.00
FY 2020	\$14,450.00
FY 2019	\$11,597.00
FY 2018	\$8,738.00
FY 2017	\$1,275.00
FY 2016	\$7,288.00
FY 2015	\$16,525.00
FY 2014	\$13,340.33
FY 2013	\$14,602.60
FY 2012	\$24,791.00

This proposal adds a sunset clause to the program. Adding the sunset clause does not result in a fiscal impact at this time; however, should the program actually be allowed to sunset this could result in an unknown savings to the State.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume this this proposal would add a sunset clause to the Small Business Disabled Access tax credit. The three-year average redemptions were \$2,443 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$2,443 annually.

**Oversight** notes that for purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

### **Section 135.621 - Diaper Bank Tax Credit**

Officials from the **Department of Revenue (DOR)** assume this proposal is removing the sunset clause language from the Diaper Bank Tax Credit program. The Diaper Bank tax credit program was created in 2018 to encourage donations to the state’s diaper banks. It has an annual cap of \$500,000. For informational purposes only, DOR is providing the number of issuances and redemptions for the program since its creation.

Year	Issued	Total Redeemed
FY 2024	\$173,152.90	\$175,524.58
FY 2023	\$136,018.86	\$150,009.87
FY 2022	\$182,018.00	\$122,610.97
FY 2021	\$189,453.90	\$137,330.65
FY 2020	\$189,628.19	\$40,082.23
FY 2019	\$0.00	\$0.00

There is no fiscal impact from the removal of the sunset clause language. However, this program has already stopped and would be restarted under this proposal. This will result in additional cost to the state of up to its \$500,000 cap. Additionally, this would require DOR to reprogram their computer to restart this program at a cost of \$1,832.

Officials from the **Department of Commerce and Insurance (DCI)** assume a potential unknown decrease of premium tax revenues (up to the tax credit limit established in the bill) in FY2026, FY2027, and FY2028 as a result of the repeal of the sunset provision so that the diaper bank tax credit could be extended. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the tax credit.

**Oversight** notes the fiscal note does not reflect the possibility that some of the tax credits could be utilized by insurance companies against insurance premium taxes. If this occurs, the loss in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.

In response to a previous version, officials from the **Office of Administration - Budget and Planning (B&P)** note that the credit sunset on December 31, 2024. By removing the sunset language, this proposal would restart the tax credit. The three-year average redemptions (FY22-FY24) were \$448,146.

Therefore, B&P estimates that this proposal could reduce TSR and GR by \$448,146 annually beginning FY26 (when tax year 2025 income tax returns are filed).

**Oversight** notes the following redemptions per the Tax Credit Analysis form for the Diaper Bank Tax Credit:

FY 2024	\$175,525
FY 2023	\$150,010
FY 2022	\$137,331

**Oversight** notes this proposal extends the sunset date for this program. The average, based on the three-year tax credit redemption, was \$149,382  $(\$175,525 + \$150,010 + \$137,331) / 3$  round to nearest dollar) for FY 2022 to FY 2024.

**Oversight** notes this section sunset as of December 31, 2024; however, this proposal extends the sunset. Therefore, Oversight will reflect the potential full impact of the tax credit cap, up to \$500,000, in continued costs to general revenue in FY 2027 and thereafter.

### **Section 135.690 – Medical Preceptorship**

Officials from the **Office of Administration – Budget & Planning (B&P)** assume this proposal would add a sunset clause to the Medical Preceptorship tax credit. B&P notes that this is a new program and only one year of redemptions has occurred. Redemption in FY24 were \$112,231. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$112,231 annually.

Officials from the **Department of Revenue (DOR)** note:

This proposal is adding a sunset clause to the Medical Preceptor Tax Credit program. This credit program was created in 2022 to provide a credit to doctors serving as medical preceptors. It has a cap of \$200,000. For informational purposes only, DOR is providing the number of issuances and redemptions for the program since its creation.

Year	Issued	Total Redeemed
FY 2024	\$172,000	\$112,231

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the State of up to its \$200,000 cap.

**Oversight** notes that the Medical Preceptorship tax credit program has a current maximum cap of \$200,000; therefore, Oversight notes the potential revenue gain after December 31, 2030 could reach a same amount as the current cap if the program were allowed to sunset. For purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

**Section 135.1150 – Residential Treatment**

Officials from the **Department of Revenue (DOR)** note:

This provision adds a sunset clause to the residential treatment agency tax credit program. This is a prepay credit with no cap. For informational purposes, they are showing the issuances and redemptions of this program.

Year	Issued	Total Redeemed
FY 2024	\$73,330.50	\$79,872.00
FY 2023	\$132,458.67	\$132,813.17
FY 2022	\$338,707.41	\$356,486.62
FY 2021	\$339,129.19	\$315,207.37
FY 2020	\$442,411.50	\$359,851.40
FY 2019	\$366,666.57	\$195,841.63
FY 2018	\$357,048.79	\$294,638.79
FY 2017	\$352,380.77	\$389,076.96
FY 2016	\$374,509.65	\$275,140.05
FY 2015	\$415,340.51	\$303,112.15
FY 2014	\$348,603.82	\$490,033.02
FY 2013	\$513,211.66	\$292,395.69
FY 2012	\$373,588.37	\$283,501.00

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the state.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Residential Treatment tax credit. The three-year average redemptions were \$189,724 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$189,724 annually.

For purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

**Section 135.1180 - Developmental Disability Tax Credit Program**

Officials from the **Department of Revenue (DOR)** note:

This provision adds a sunset clause to the developmental disability care provider tax credit program. This is a prepay credit with no cap. For informational purposes, they are showing the issuances and redemptions of this program.

Year	Issued	Total Redeemed
FY 2024	\$6,830.87	\$4,642.00
FY 2023	\$59,427.00	\$59,427.00
FY 2022	\$59,317.50	\$16,528.02
FY 2021	\$67,212.22	\$95,070.92
FY 2020	\$78,204.70	\$52,505.00
FY 2019	\$55,441.07	\$17,389.00
FY 2018	\$41,313.00	\$33,597.00
FY 2017	\$27,937.50	\$28,130.00
FY 2016	\$14,396.46	\$18,618.00
FY 2015	\$28,435.35	\$16,793.85
FY 2014	\$49,587.50	\$92,992.50
FY 2013	\$62,291.50	\$7,819.00

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the state.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Developmental Disability Care tax credit. The three-year average redemptions were \$26,866 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$26,866 annually.

**Oversight** assumes this provision would add a sunset clause to the Developmental Disability Care tax credit. The three-year average redemptions were \$26,866 in FY22-FY24. Therefore, Oversight assumes, if this credit is allowed to sunset, this could result in a savings to GR by \$26,866 annually beginning after December 2030. For purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

### **Section 135.1670 - Incentives for Interstate Business Relocation**

Officials from the **Department of Revenue (DOR)** assume that the current law contains language that a business relocating from a bordering county in Kansas to a bordering county in Missouri would not be eligible for certain tax credits and retention of withholding payments. The original language contained an expiration date of August 28, 2025, which would have allowed companies relocating to receive the incentives. This proposal removes the expiration date of this proposal, leaving in place the prohibition on these incentives indefinitely. DOR assumes no fiscal impact from this proposal.

In response to the similar proposal, HB 1175 – 2025, officials from the **Office of Administration – Budget & Planning** and the **Department of Economic Development** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

**Oversight** notes that officials from the above respective organizations assume the proposal will have no fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

#### **Section 143.177 - MO Working Family Tax Credit Program (MO-EITC)**

Officials from the **Department of Revenue (DOR)** note:

This proposal adds a sunset clause to the MO Working Family Tax Credit program. This program is claimed on the individual income tax return and does not have a cap. This is the second year of the program and the first year when fully implemented.

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the state of an estimated \$93 million fully implemented.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset to the Missouri Working Family tax credit. B&P notes that this is a new credit with only one year of redemptions. Redemptions for FY24 were \$28,482,968. However, the credit for tax year 2023 (FY24 redemptions) was set at 10% of a taxpayer's federal EITC. The credit was increased to 20% of a taxpayer's federal EITC for tax years 2024 (FY25) and beyond. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$56,965,935 annually.

For purposes of this fiscal note, **Oversight** will not show a savings from the sunset provision.

#### **Section 143.471 - Bank S Corp Tax Credit Program**

Officials from the **Department of Revenue (DOR)** note:



This proposal adds a sunset clause to the Bank S Corp Tax Credit program. This program does not have a cap. For informational purposes, they are presenting the amount of redemptions the past few years.

Year	Total Redeemed
FY 2024	\$2,438,253.65
FY 2023	\$1,208,213.44
FY 2022	\$11,734,876.97
FY 2021	\$2,534,411.81
FY 2020	\$2,039,671.18
FY 2019	\$8,396,967.00
FY 2018	\$7,481,839.86
FY 2017	\$9,016,754.99
FY 2016	\$9,449,559.42
FY 2015	\$6,298,017.54
FY 2014	\$2,607,870.49
FY 2013	\$4,533,836.55
FY 2012	\$5,523,276.11

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the state.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Bank Tax Credit for S-Corporations tax credit. The three-year average redemptions were \$5,127,114 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$5,127,114 annually.

For purposes of this fiscal note, **Oversight** will not show a savings from the sunset provision.

### **§163.048 – Student Participation in Athletic Contests Organized by Sex**

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

In response to similar legislation from this year, HCS for HB Nos. 113, 624 & 36, officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

**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.

In response to similar legislation from this year, HCS for HB Nos. 113, 624 & 36, officials from the **University of Missouri System** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation from this year, HCS for HB Nos. 113, 624 & 36, officials from the **Northwest Missouri State University**, and **Marquand-Zion R-VI School District** each assumed the proposal would have no fiscal impact on their organizations.

**Oversight** notes currently, schools are only allowed to let a student compete in an athletics competition designated for the biological sex of the student, as stated on the student's official birth certificate. Except, female students may participate in competitions designated for male students if there is no corresponding athletics competition designated for female students available. This provision is set to expire on August 28th, 2027. The proposal removes the expiration date. Entities that violate this proposal are not eligible for moneys appropriated by the general assembly.

**Oversight** notes the foundation formula payments for school districts is estimated at \$3,664,831,194 for FY 2025 per the DESE Budget Request for FY 2025.

**Oversight** notes the following appropriations for FY 2024 to postsecondary institutions:

<b>Institution</b>	<b>Appropriation</b>
Community Colleges	\$176,193,756
State Technical College of Missouri	\$9,086,492
UCM	\$64,945,087
Southeast Missouri State University	\$53,881,399
Missouri State University	\$110,434,978
Lincoln University	\$33,352,465
Truman State University	\$48,922,074
Northwest Missouri State University	\$36,722,408
Missouri Southern State University	\$30,560,286
Missouri Western State University	\$26,342,755
Harris-Stowe State University	\$12,934,527
University of Missouri System	\$509,923,773

\*Source: TAFP HB 3 (2024). Actual appropriation amounts may differ based on withholds.

**Oversight** notes the proposal is removing the expiration date of August 28, 2027.

**Oversight** assumes there could be a loss to public schools, colleges and universities that fail to comply with the requirements in the proposal after the removal of the expiration date. The penalty would be any moneys appropriated by the general assembly. Based on the amounts appropriated, Oversight assumes the loss could exceed \$250,000 and will be reflected in FY 2028.

Additionally, **Oversight** notes that this provision may prompt a cause of action against colleges, universities, and public schools. Oversight notes, in rare circumstances, universities and community colleges can access the state Legal Expense Fund. However, for purposes of this fiscal note, Oversight assumes colleges and universities will bear the cost of any litigation or judgment. Oversight will range the fiscal impact to colleges, universities and public schools from \$0 (does not increase litigation) to an unknown cost for damages and court costs in FY 2028.

### **§168.036 - Granting Substitute Teacher Certificates**

Officials from **Public Education Employees' Retirement System (PSRS/PEERS)** assume this bill, as currently drafted, extends the temporary provision allowing individuals who are receiving a retirement benefit from PSRS or PEERS to substitute teach on a part-time or temporary substitute basis in a covered school district without a discontinuance of the person's retirement benefit. The provisions in this bill only apply to part-time or temporary substitute teaching. As specified in this bill, if an individual chooses to work for a covered employer after retirement under this provision, they will not contribute to additional retirement benefits.

This provision was enacted in 2022 with an expiration of June 30, 2025. This bill extends the temporary provision through June 30, 2030.

The Systems have an actuary firm, PwC US (PwC), that prepares actuarial cost statements on any proposed legislation as well as the annual actuarial valuation reports for the Systems. As discussed in more detail below, the temporary suspension of the working after retirement limitations as proposed in this bill could have a fiscal impact on PSRS and PEERS.

#### **Analysis of impact on PSRS**

The 550-hour and 50% of compensation limitations applicable to retired PSRS members who return to work in substitute teaching positions is significantly less than half of the capacity worked by a fulltime teacher and therefore limits the work a rehired retiree can perform in a substitute teaching position without a suspension of their benefit. Suspending these limitations through June 30, 2030 could incentivize existing PSRS members to significantly change their retirement behavior and career planning. In addition, an extension of the working after retirement limits suspension would give employers a greater ability to replace full-time active employees with rehired retirees, allowing employers to save on the cost of contributions to PSRS (for part-time or temporary substitute teaching positions). Such behavior could have a significant impact on the cost of PSRS as earlier retirement by active members could increase the Actuarial Accrued Liability, and therefore the Unfunded Actuarial Accrued Liability, and result in a decrease in covered payroll which would increase the Actuarially Determined Contribution Rate.

However, this proposal does include some conditions that would limit the fiscal impact, including:

- The end date for suspension of the working after retirement limitations of June 30, 2030 would limit any changes in retirement behavior and any changes in employer hiring to a temporary period (absent further extensions).
- Retirees who return to work in substitute teaching positions would only be able to return on a part-time or temporary basis, not on a full-time basis.

In addition, current statistical data on retired PSRS members who have returned to work since the temporary suspension of the limits went into effect in 2022 has been reviewed. The COVID pandemic and other legislation affecting working after retirement make it difficult to conclude from the data whether retirement patterns have been affected by the current suspension. However, to date, it does not appear to indicate a significant change in retirement behavior by members or hiring practices by employers as the number of retirees working after retirement remains below pre-pandemic levels. However, there is a recent increase in the average hours worked and average earnings by retirees who have returned to work due to some rehired retirees working in a capacity that would have exceeded the limitations of RSMo 169.560 if not for the suspension of those limits for part-time or temporary substitute teaching in RSMo 168.036.

For the reasons noted above and discussed in the actuarial cost estimate, PwC estimates the impact of extending the suspension of limitations on working after retirement for parttime or temporary substitute teaching positions through June 30, 2030 to be **an insignificant fiscal impact if retirement behavior remains unchanged**. However, there would be a fiscal cost if there is a change in active member retirement behavior to retire earlier, resulting in fewer full-time teachers participating in, and contributing to, PSRS, and they continue to caution that the fiscal impact could be significant if the suspension of the limitations continues to be extended and effectively becomes a permanent provision.

#### Analysis of impact on PEERS

The 550-hour limitation applicable to retired PEERS members who return to work in substitute teaching positions is significantly less than half of the capacity worked by a full-time employee and therefore limits the work a rehired retiree can perform without a suspension of their benefit. Suspending these limitations through June 30, 2030 for part-time or temporary substitute teaching positions could incentivize existing PEERS members to significantly change their retirement behavior and career planning. In addition, an extension of the working after retirement limits suspension would give employers a greater ability to replace full-time active employees with rehired retirees, allowing employers to save on the cost of contributions to PEERS (for part-time or temporary substitute teaching positions). Such behavior could have a significant impact on the cost of PEERS as earlier retirement by active members could increase the Actuarial Accrued Liability, and therefore the Unfunded Actuarial Accrued Liability, and result in a decrease in covered payroll which would increase the Actuarially Determined Contribution Rate.

However, this proposal does include some conditions that would limit the fiscal impact, including:

- The end date for suspension of the working after retirement limitations of June 30, 2030 would limit any changes in retirement behavior and any changes in employer hiring to a temporary period (absent further extensions).
- Retirees who return to work in substitute teaching positions would only be able to return on a part-time or temporary basis, not on a full-time basis.
- The number of PEERS retirees who are certificated and eligible to fill substitute teaching positions has historically been very few.

In addition, current statistical data on retired PEERS members who have returned to work since the temporary suspension of the limits went into effect in 2022 has been reviewed. The COVID pandemic and other legislation affecting working after retirement make it difficult to conclude from the data whether retirement patterns have been affected. However, to date, it does not appear to indicate a significant change in retirement behavior by members or hiring practices by employers, or an increase in the number of PEERS retirees being hired to fill part-time or temporary substitute teaching positions.

For the reasons noted above and discussed in the actuarial cost estimate, PwC estimates the impact of extending the suspension of limitations on working after retirement for parttime or temporary substitute teaching positions through June 30, 2030 to be **an insignificant fiscal impact to PEERS**. However, they continue to caution that the fiscal impact could be significant if the suspension of the limitations continues to be extended and effectively becomes a permanent provision.

PSRS/PEERS provide retirement benefits to approximately 132,000 active members and over 110,000 retired Missouri public school teachers, school employees, and their families. The total invested assets of both PSRS and PEERS were \$58.7 billion as of June 30, 2024.

**Oversight** notes this provision was enacted in 2022 with an expiration of June 30, 2025. This proposal extends the temporary provision through June 30, 2030. Therefore, Oversight assumes the temporary change will result in an insignificant fiscal impact to PSRS/PEERS and therefore, no impact to member employers.

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

§§190.839, 198.439, 208.480, 208.437, 338.550 and 633.401 - Provider reimbursement allowance taxes

Officials from the **Department of Social Services** and the **Department of Mental Health** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation from 2024, TAFP SS for SB 748, officials from the **Department of Social Services (DSS)** stated the passage of the proposed legislation would not fiscally impact DSS for §§190.839, 198.439 and 208.480. However, if the proposed legislation does not pass, additional funding will be needed to maintain the current level of services. The numbers provided are based on an annual total for each program.

§190.839 - Ambulance Provider Tax: The proposed legislation allows the MO HealthNet Division (MHD) to collect approximately \$7.98 million in Ambulance Tax annually which will allow MHD to draw in federal funds of approximately \$18.7 million each year. The FY25 budget submitted by the DSS assumes the ambulance tax would continue through fiscal year 2025 and beyond. If this proposed legislation does not pass, additional General Revenue (GR) funds of \$7.98 million per year would be needed to continue the current level of services.

§198.439 - Nursing Facility Reimbursement Allowance Tax: **DSS** stated the proposed legislation allows the MHD to collect \$168.2 million annually in Nursing Facility Tax which will allow MHD to draw in federal funds of \$326.7 million each year. The FY25 budget submitted by the DSS, and all future budgets that will be submitted, assumes the nursing facility tax would continue through fiscal year 2025 and beyond. If this proposed legislation does not pass, additional GR funds of \$168.2 million per year would be needed to continue the current level of services.

§§208.437 - Medicaid Managed Care Provider Tax

**DSS** stated the MHD is not currently collecting the Managed Care Provider Tax. The federal sunset for the managed care organization reimbursement allowance was September 30, 2009. This section of the proposed legislation will not have an impact on MO HealthNet.

As the MHD is not currently collecting the Managed Care Provider Tax, **Oversight** is not including this tax in the fiscal note tables.

§208.480 - Hospital Federal Reimbursement Allowance: **DSS** stated the proposed legislation allows the MHD to collect approximately \$1.22 billion in Hospital Tax which will allow MHD to draw in federal funds of approximately \$2.37 billion each year. The FY25 budget submitted by the DSS, and all future budgets that will be submitted, assumes the hospital tax would continue through fiscal year 2025 and beyond. If this proposed legislation does not pass, additional GR funds of \$1.22 billion would be needed per year to continue the current level of services.

Section 338.550 - Pharmacy Provider Tax:

The proposed legislation allows the MHD to collect \$46.5 million in pharmacy tax which will allow MHD to draw in federal funds of \$90.5 million each year. The FY25 budget submitted by the DSS, and all future budgets that will be submitted, assumes the pharmacy tax would continue

through fiscal year 2025 and beyond. If this proposed legislation does not pass, additional GR funds of \$46.5 million per year would be needed to continue the current level of services.

Section 633.401 - Intermediate Care Facility for the Intellectually Disabled Provider Tax (ICF/ID):

**DSS** stated the proposed legislation allows the MHD to collect approximately \$5.88 million in intermediate care facilities for the intellectually disabled tax which will allow MHD to draw in federal funds of \$4.5 million. The FY25 budget submitted by the Department of Mental Health, and all future budgets that will be submitted, assumes the ICF/ID tax would continue through fiscal year 2025 and beyond. If this proposed legislation does not pass, additional General Revenue funds of \$5.88 million per year would be needed to continue the current level of services.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the provider taxes needed to draw down federal matching funds as provided by DSS for fiscal note purposes.

In response to similar legislation from 2024, TAFP SS for SB 748, officials from the **Department of Mental Health (DMH)** stated this legislation extends the sunset on certain healthcare provider reimbursement allowance taxes to September 30, 2029. DMH assumes no fiscal impact with the extension of the healthcare provider reimbursement allowance taxes to September 30, 2029. If provider reimbursement allowances end, DMH would have a fiscal impact of approximately \$5 million GR. DMH defers any additional anticipated fiscal impact to DMH for Comprehensive Psychiatric Rehab (CPR), Comprehensive Substance Treatment and Rehabilitation (CSTAR), Certified Community Behavioral Health Clinics (CCBHO) and Developmental Disabilities (DD) waiver services to DSS.

**Oversight** notes the DSS is the designated state agency that works with the federal government on Medicaid programs. Therefore, Oversight will use the DSS provider tax numbers for the ICF/ID and hospital provider tax programs.

**DSS** stated that failure to pass an extension on the FRA could cost the state approximately \$1.5 billion in FY25.

For fiscal note purposes, **Oversight** is presenting the provider taxes collected under each of the reimbursement allowance tax categories. However, Oversight assumes expenses equal to the amount of provider taxes collected would be spent on services and the net effect would be \$0.

**Oversight notes the provisions of this proposal removes the expiration date of September 30, 2029. Oversight will reflect the full amount (12 months) beginning in FY 2031.**

In response to similar legislation from 2024, TAFP SS for SB 748, officials from the **Department of Commerce and Insurance, the Office of Administration, Budget and Planning (B&P)** and the **Department of Public Safety - Missouri Veterans Commission** each

assumed 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.

### **Section 192.2015 - Shared Care Tax Credit Program**

Officials from the **Department of Revenue (DOR)** note:

This proposal adds a sunset clause to the Shared Care tax credit program. This proposal grants a credit to people who take care of an elderly person in their home. This credit does not have an annual cap.

Year	Issued	Total Redeemed
FY 2024	\$40,500.00	\$18,231.00
FY 2023	\$20,500.00	\$15,119.00
FY 2022	\$24,000.00	\$13,883.00
FY 2021	\$27,000.00	\$22,187.00
FY 2020	\$27,000.00	\$21,506.00
FY 2019	\$33,500.00	\$12,530.00
FY 2018	\$43,500.00	\$28,931.00
FY 2017	\$56,000.00	\$42,025.00
FY 2016	\$74,000.00	\$39,846.00
FY 2015	\$51,000.00	\$37,056.00

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the state.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Shared Care tax credit. The three-year average redemptions were \$15,728 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$15,728 annually.



**Oversight** assumes this proposal would add a sunset clause to the Shared Care tax credit. For purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

### **Section 287.243 – Line of Duty Compensation**

**Oversight** notes, based on information requested for a Sunset Review (2024), Department of Labor and Industrial Relations (DOLIR) provided the following information related to line of duty compensation claims paid for fiscal years FY 2019 through FY 2024, as shown in the table below:

Fiscal Year	Total Claims	Total Paid
2019	8	\$200,000
2020	6	\$150,000
2021	10	\$250,000
2022*	24	\$600,000
2023	8	\$200,000
2024	6	\$150,000
Total	62	\$1,550,000

\*Seventeen of the 24 payments were due to COVID-19.

DOLIR further stated that while there are no outstanding claims at this time, there are currently five cases on appeal. Additionally, four (4) pending cases for FY 2025 have been received to date.

**Oversight** notes it is unknown how many individuals may be killed in the line of duty in any particular year; however, the annual average has been 8  $[(8+6+10+6+8) / 5]$  excluding FY 2022, due to the increase in COVID related deaths. Currently, the amount of compensation per claimant is \$25,000. Therefore, on average the compensation line of duty compensation paid was \$200,000 annually.

**Oversight** notes this act extends the sunset, from its original end date, on June 19, 2025 until December 31, 2031. Therefore, Oversight will reflect the continuous cost of this proposal, beginning of FY 2026, that could more or less the average expenditure of \$200,000 annually in the fiscal note (excluding FY 2022).

### **Section 191.1720 – Missouri Save Adolescents from Experimentation (SAFE) Act**

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

In response to similar legislation from this year, HB 35, officials from the **Attorney General's Office** and the **Missouri Office of Prosecution Services** each assumed the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

In response to similar legislation from this year, HB 35, officials from the **Department of Public Safety - Missouri Highway Patrol** deferred to the Missouri Department of Transportation for the potential fiscal impact of this proposal.

### **Section 208.770 Family Development Account Tax Credit Program**

Officials from the **Department of Revenue (DOR)** state:

This proposal adds a sunset clause to the Family Development tax credit program. This proposal grants a credit to people who participate in a matched savings program. This credit has a \$300,000 annual cap.

Year	Authorized	Issued	Total Redeemed
FY 2024	\$90,000.00	\$0.00	\$0.00
FY 2023	\$0.00	\$0.00	\$0.00
FY 2022	\$0.00	\$0.00	\$0.00
FY 2021	\$0.00	\$0.00	\$0.00
FY 2020	\$0.00	\$8,414.00	\$33,801.00
FY 2019	\$0.00	\$69,894.00	\$46,816.00
FY 2018	\$0.00	\$8,924.00	\$2,500.00
FY 2017	\$75,000.00	\$0.00	\$0.00
FY 2016	\$0.00	\$0.00	\$0.00
FY 2015	\$0.00	\$0.00	\$0.00
FY 2014	\$0.00	\$0.00	\$0.00
FY 2013	\$0.00	\$0.00	\$0.00
FY 2012	\$0.00	\$10,615.73	\$10,615.73
<b>TOTALS</b>	\$165,000.00	\$97,847.73	\$93,732.73

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the state of up to \$300,000.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Family Development Account tax credit. The three-year average redemptions were \$0 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$0 annually.

In response to similar legislation from this year, HCS for HB 1007, officials from the **Department of Economic Development (DED)** assume the Section 208.770. adds a sunset date for Family Development Account program of 12/31/2030 if it is not reauthorized. Could be future cost savings if not reauthorized.

For purposes of this fiscal note, **Oversight** will not show a savings from the sunset provision.

**§292.606 – Fees paid to the Missouri Emergency Response Commission**

Officials from the **Department of Public Safety (DPS) – State Emergency Management Agency (SEMA)** state that currently, authorization for the collection of fees for hazardous chemicals in the workplace, which funds the Missouri Emergency Response Commission (MERC), was not reauthorized under HB 1870 (2024) and was allowed to expire on August 28, 2024. HB 1870 (2024) would have extended the authorization for six years to August 28, 2030.

The mission of the MERC is to protect public health and the environment by assisting communities with chemical incident prevention, preparedness, response, and recovery; and by receiving, processing, and reporting on chemical information under the community right-to-know laws. The program has been in existence since the late 1980s and has provided training and assistance to local communities to be compliant with the federal EPCRA laws.

Current law allowed for the collection of data and fees. In fiscal year 2023, the amount collected was approximately \$1,001,410 with \$598,495 of this fund being redistributed to the locals, \$92,076 distributed to the Missouri Division of Fire Safety for hazardous materials training and the remaining \$230,190 was retained by the MERC to operate the program and to provide a match for federal funds that allow additional hazardous materials planning and training for local first responders. The chemical storage facility owners and gas station owners must pay an annual fee based on the type and amount of chemicals they store at their facility.

Section 292.606 would allow a one-time fee to be calculated based on the normal filing due on March 1, 2025, and will be paid by November 1, 2025.

Since HB 1870 was not reauthorized, the Local Emergency Planning Committees and/or Districts will lose approximately \$650,000 in eligible funds. In many communities, these were the only funds available to remain compliant with federal law and most preparedness activities will no longer continue. Approximately \$80,000 in training money to the Missouri Division of Fire Safety will also be lost, and the match for the \$400,000 dollars for the Missouri Department of Transportation grant will not be met. Without this grant, approximately 1,000 first responders will not receive any hazmat preparedness or response training.

**Oversight** has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as revenue coming into the Chemical Emergency Preparedness Fund of \$834,508 in FY 2026 and \$1,001,410 in FY 2027 and subsequent years.

**Oversight** notes the Chemical Emergency Preparedness Fund (0587) had a fund balance of \$698,599 on December 31, 2024.

In response to similar legislation from this year, HB 70, officials from the **Department of Economic Development**, the **Phelps County Sheriff**, and the **Fruitland Area Fire Protection District** 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.

### **§338.710 – Removes the expiration date for the Rx Cares for Missouri program**

In response to a similar proposal from this year (HCS for HB 943), officials from the **Department of Commerce and Insurance (DCI)** stated the Rx Cares for Missouri program is appropriated \$750,000 each year.

**Oversight** notes that the most recent [Missouri Board of Pharmacy annual report](#) (2023) states as follows:

*The Missouri General Assembly enacted § 338.710 in 2017 which created the Rx Cares for Missouri Program within the Board of Pharmacy to promote medication safety and to prevent prescription drug abuse, misuse and diversion in Missouri. Rx Cares Program funding is appropriated annually by the Missouri Legislature. The Board expended \$144,476.55 in FY 23 on the following Rx Cares program activities.*

The report also states that the FY 2022 Legislative Appropriation was \$750,000 and goes on to say, “Grants awarded in FY23 and expended grant funds will not be equal due to tiered payment schedules. Rx Cares funds may be awarded and expended in different fiscal years.”

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DCI as “Up to 750,000” annually to continue this program.

### **Section 348.505 - Family Farm Breeding Stock Tax Credit Program**

Officials from the **Department of Revenue (DOR)** note:

This proposal adds a sunset clause to the Family Farm Livestock tax credit program. This proposal grants a credit to lenders who make loans to small farmers starting to breed livestock. This credit has a \$300,000 annual cap.

Year	Authorized	Issued	Total Redeemed
FY 2024	\$34,583.42	\$36,753.24	\$7,758.68

FY 2023	\$40,210.98	\$22,196.99	\$18,191.09
FY 2022	\$16,936.36	\$16,334.26	\$24,021.17
FY 2021	\$12,488.50	\$2,429.88	\$18,232.07
FY 2020	\$26,849.87	\$16,817.30	\$9,636.08
FY 2019	\$14,898.18	\$39,235.88	\$34,022.54
FY 2018	\$42,093.03	\$52,507.91	\$106,558.44
FY 2017	\$66,801.60	\$70,892.19	\$27,178.36
FY 2016	\$72,855.33	\$48,967.77	\$35,495.50
FY 2015	\$40,506.00	\$39,309.78	\$24,981.60
FY 2014	\$39,423.64	\$34,251.88	\$22,770.02
FY 2013	\$39,732.39	\$35,044.24	\$32,032.50
FY 2012	\$31,328.73	\$32,228.75	\$53,947.47

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the state of up to \$300,000.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Family Farm Livestock tax credit. The three-year average redemptions were \$16,657 in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$16,657 annually.

**Oversight** assumes this proposal adds a sunset clause to the Family Farm Livestock tax credit. The three-year average redemptions were \$16,657 in FY22-FY24. Oversight assumes that if this credit is allowed to sunset, this could increase GR by \$16,657 annually after December 2031. For purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

#### **Section 447.708 - Brownfield Tax Credit Programs**

Officials from the **Department of Revenue (DOR)** note:

This proposal adds a sunset clause to the Brownfield Redevelopment tax credit program. This proposal grants a credit to businesses to redevelop property contaminated by hazardous waste. This credit does not have an annual cap.

Year	Authorized	Issued	Total Redeemed
FY 2024		\$1,450,871.00	\$4,394,352.75
FY 2023	\$1,462,558.00	\$1,159,254.20	\$7,410,817.14
FY 2022	\$0.00	\$1,820,303.75	\$3,192,241.11
FY 2021	\$904,491.20	\$11,156,257.48	\$21,382,422.12
FY 2020	\$12,188,931.00	\$13,854,367.90	\$9,645,097.05
FY 2019	\$2,000,000.00	\$15,475,687.72	\$13,028,587.52
FY 2018	\$10,167,653.00	\$23,391,582.53	\$3,159,639.24
FY 2017	\$43,899,062.00	\$3,705,982.09	\$2,385,022.74
FY 2016	\$557,548.00	\$9,831,947.29	\$11,205,913.79
FY 2015	\$2,660,872.00	\$1,634,971.01	\$7,492,114.03
FY 2014	\$0.00	\$3,716,636.73	\$5,354,818.52
FY 2013	\$11,913,711.00	\$9,851,350.41	\$6,378,613.00
FY 2012	\$3,234,873.00	\$7,717,894.78	\$16,967,399.84

There is no fiscal impact from adding a sunset clause to the tax credit program. However, should the program actually be allowed to sunset this could result in an unknown savings to the state.

Officials from the **Office of Administration – Budget & Planning (B&P)** note this proposal would add a sunset clause to the Brownfield tax credits. B&P notes that the Brownfield Demolition credit has not had a redemption since FY09. The Brownfield Jobs and Investment credit has not had a redemption since FY15.

The three-year average redemptions were \$4,999,137 for Brownfield Remediation credits in FY22-FY24. Therefore, B&P estimates that if this credit is allowed to sunset, this could increase GR by \$4,999,137 annually.

**Oversight** notes this proposal adds a sunset clause to this program; therefore, Oversight will note the average utilization in last 12 years as the potential savings of \$1,159,254 to the general revenue fund after December 31, 2031 if the proposal were allowed to sunset. For purposes of this fiscal note, Oversight will not show a savings from the sunset provision.

**Sections 347.740, 351.127, 355.023, 356.233, 359.653, 400.9-528 & 417.018 - Extends the Sunsets date on various fees collected by the Secretary of the State**

Officials from the **Office of the Secretary of State (SOS)** state if the provisions aren't extended, there will be loss of approximately \$3.4 million per year in technology fees used to support the SOS IT Department's hardware/software needs. The SOS's office is a silo IT department. All changes to software would require working with a third party vendor and/or the Information Technology department. The SOS reserves the right to offset or request additional resources for estimated fiscal note impacts during the budget period.

**Oversight** has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as provided by the Office of the Secretary of State. Oversight assumes the collection of fees is extended beginning January 1, 2027.

**Section 620.2010 - MO Works Program**

Officials from the **Department of Revenue (DOR)** note:

The Missouri Works program was created in 2013 and allows large companies that invest the delineated amount of money into their factories outlined in this statute or retain a certain number of jobs to receive a tax credit and/or retain employee withholding tax. The program has a cap of \$126 million, of which \$10 million is reserved for car manufacturers, and another \$10 million is reserved for infrastructure projects.

For fiscal note purposes, DOR is providing the authorization, issuances and redemption of the credits for this program since it began. We are also showing how much of the withholding tax is being retained by the participating companies.

Year	Authorized	Issued	Withholding	Total Redeemed
FY 2024	\$80,281,795.00	\$101,742,273.72	\$55,467,750.68	\$114,459,428.58
FY 2023	\$58,234,898.00	\$139,364,971.66	\$59,039,193.29	\$100,419,077.97
FY 2022	\$80,498,453.00	\$131,465,595.90	\$81,460,659.34	\$134,716,930.11
FY 2021	\$230,661,649.74	\$112,293,173.91	\$51,694,704.48	\$100,393,655.20
FY 2020	\$153,823,786.33	\$134,393,278.36	\$81,074,270.49	\$113,472,125.29
FY 2019	\$100,482,945.49	\$82,326,471.67	\$39,414,426.91	\$64,786,980.04
FY 2018	\$185,732,973.08	\$45,830,250.31	\$36,394,962.32	\$56,398,908.94
FY 2017	\$155,506,188.16	\$35,547,214.37	\$20,546,348.51	\$35,065,682.60
FY 2016	\$114,719,436.24	\$23,741,677.22	\$12,010,486.07	\$12,075,788.82
FY 2015	\$289,578,581.00	\$3,588,784.56	\$3,588,784.56	\$3,588,784.56
FY 2014	\$116,445,144.00	\$146,923.00	\$146,923.00	\$146,923.00

The MO Works program is scheduled to end June 30, 2025. This proposal changes its scheduled stop day to June 30, 2031. DOR notes this proposal would become effective August 28, 2025, after the program has been terminated. DOR assumes this would result in a loss to general revenue of up to the \$126 million cap on the program until fiscal year 2031.

In response to a previous version, officials from the **Department of Economic Development** and the **Office of Administration – Budget & Planning** each assumed the provision will have no fiscal impact on their organization.

**Oversight** notes DED, in response to the further questions regarding this proposal, assume this legislation is not an extension of the whole program, Missouri Works. It is only extending the section about the Deal Closing Fund. The 21.5% that can be utilized for Deal Closing Fund falls into the \$126M cap for MO Works. By extending this section, it is just allowing the Deal Closing Fund to use up to 21.5% of the MO Works tax credit cap instead of pulling additional money out of GR.

**Oversight** notes Section 620.2010.7 is modified to combine the Deal Closing Fund (DCF) sunset date with the overall Missouri Works (MO Works) program sunset date which simplifies the overall program, since they work in conjunction.



In response to a previous version, **DED** provides breakdown of MO Works as follows:

\$100 M – zone works, rural works, statewide works, mega 140 works, mega 120 works

\$6 M – Retention projects

\$10 M – Infrastructure Projects

\$10 M – Retention - Auto Manufacturing

Deal Closing Fund 21.5% of \$126M

**Oversight** notes that the overall maximum cap for MO Works will not change, instead allows DED to draw up to \$27,090,000 (126 M x 21.5%) money from the overall MO Works program available beyond June 30, 2025, to the Deal Making Fund. Therefore, **Oversight** will reflect zero impact in the fiscal note, stemming from the Sunset Extension for this Section.

### **Section 650.120 – Internet Cyber Crime Law Enforcement Task Forces**

**Oversight** notes the provisions of this section extend the sunset for the Cyber Crime Investigation Fund. In 2023, Oversight completed a sunset review of this program. In that review, it was noted that the DPS does not use §650.120, nor look to this statute (since 2014) for authorizing the General Revenue funded program they currently have. DPS does, however, administer a similar program that is authorized under House Bill (HB) 8 as of the 2015 Legislative Session. Based on DPS's appropriation bills from FY2015 through FY2022, the average appropriation authority for HB 8 is \$1,813,276 and the average expenditure is \$1,721,417.

### **Responses regarding the proposed legislation as a whole**

Officials from the **Oversight Division** is responsible for providing a Sunset Report pursuant to section 23.253 RSMo; however, Oversight can absorb the cost with the current budget authority.

Officials from the **Department of Commerce and Insurance (DCI)** assume a potential unknown positive fiscal impact on premium tax revenues (up to the tax credit limit established in the bill) after 2031 as a result of the modifications to sunset provisions of various tax credits in §§100.286, 100.297, 100.850, 135.432, 135.460, 135.487, 135.1150, 135.1180, 208.770, 348.505, and 447.708.

**Oversight** assumes the various sections above will all sunset on August 28, 2031 (FY32). Oversight notes the fiscal note does not reflect the possibility that some of the tax credits may no longer be utilized by insurance companies against insurance premium taxes. If this occurs, the savings in tax revenue would be split between the General Revenue Fund and the County Foreign Insurance Fund, which ultimately goes to local school districts.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, **Department of Labor and Industrial Relations**, the **Department of Public Safety (Fire Safety, Office of the Director, Missouri Gaming Commission, Missouri Highway Patrol)**, the **Missouri Department of Conservation**, **Department of Social Services**, the **Office of the Governor**, **Missouri Department of Agriculture**, **Missouri Department of Transportation**, the **MoDOT & Patrol Employees' Retirement System**, **Office of Administration**, the **Office of the State Treasurer**, **City of Kansas City**, the **Kansas City Police Department**, **Branson Police Department**, **St. Louis County Police Department**, the **Metropolitan St. Louis Sewer District**, the **South River Drainage District**, the **Wayne County PWS #2**, the **University of Central Missouri**, **Office of the State Auditor**, the **Missouri House of Representatives**, the **Joint Committee on Public Employee Retirement**, the **Missouri Senate** and the **Missouri Consolidated Health Care Plan** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **Office of the State Public Defender** and the **Phelps County Sheriff's Office** 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.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other cities, counties, county collectors, county treasurers, local law enforcement agencies, fire protection districts, ambulance districts, school districts, utility districts, colleges and universities 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>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028	Fully Implemented FY 2032
<b>GENERAL REVENUE</b>				
<u>Revenue Gain</u> - from funding withheld from school districts and charter schools for violating section §163.048	\$0	\$0	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> - from funding withheld from colleges and universities for violating section §163.048	\$0	\$0	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> - from funding withheld from community colleges for violating section §163.048	\$0	\$0	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - §135.621 Diaper Bank Tax Credit	Could Exceed (\$149,382)	Could Exceed (\$149,382)	Could Exceed (\$149,382)	Could Exceed (\$149,382)
<u>Costs</u> - DOLIR §287.243 Increase claims amount for Line of Duty Comp	More or Less than (\$200,000)	More or Less than (\$200,000)	More or Less than (\$200,000)	More or Less than (\$200,000)
<u>Costs</u> – DCI (§338.710) Removal of Rx Cares for Missouri expiration	\$0	Up to (\$750,000)	Up to (\$750,000)	Up to (\$750,000)
<u>Loss Avoidance</u> – SOS §§ 347.740-417.018	<u>\$0</u>	\$1,704,955	\$3,409,910	\$3,409,910
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>More or Less than (\$349,382)</b>	<b>More or Less than \$605,573</b>	<b>More or Less than \$2,310,528</b>	<b>More or Less than \$2,310,528</b>

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028	Fully Implemented FY 2032
<b>UNIVERSITY FUNDS</b>				
<u>Costs</u> - legal costs - §163.048	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - funding withheld for violating section §163.048	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON UNIVERSITY FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>
<b>CHEMICAL EMERGENCY PREPAREDNESS FUND (0587)</b>				
<u>Income</u> – SEMA §292.606 – renewal of annual fees	<u>\$834,508</u>	<u>\$1,001,410</u>	<u>\$1,001,410</u>	<u>\$1,001,410</u>
<b>ESTIMATED NET EFFECT ON THE CHEMICAL EMERGENCY PREPAREDNESS FUND</b>	<b><u>\$834,508</u></b>	<b><u>\$1,001,410</u></b>	<b><u>\$1,001,410</u></b>	<b><u>\$1,001,410</u></b>
<b>AMBULANCE SERVICE REIMBURSEMENT ALLOWANCE FUND (Provider tax) (0958)</b>				
<u>Income</u> - DSS (§190.839) Assessment on ambulance organizations	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,980,000</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028	Fully Implemented FY 2032
<b>ESTIMATED NET EFFECT ON THE AMBULANCE SERVICE REIMBURSEMENT ALLOWANCE FUND*</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,980,000</u>
<b>NURSING FACILITY FEDERAL REIMBURSEMENT ALLOWANCE FUND (Provider tax) (0196)</b>				
<u>Income - DSS (§198.439)</u> Assessment on nursing facility organizations	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$168,200,000</u>
<b>ESTIMATED NET EFFECT ON THE NURSING FACILITY FEDERAL REIMBURSEMENT ALLOWANCE FUND*</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$168,200,000</u>
<b>FEDERAL REIMBURSEMENT ALLOWANCE FUND (Hospital provider tax) (0142)</b>				
<u>Income - DSS (§208.480)</u> Assessment on hospital organizations	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,220,000,000</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028	Fully Implemented FY 2032
<b>ESTIMATED NET EFFECT ON THE FEDERAL REIMBURSEMENT ALLOWANCE FUND*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$1,220,000,000</u></b>
<b>PHARMACY REIMBURSEMENT ALLOWANCE FUND (Provider tax) (0144)</b>				
<u>Income</u> - DSS §338.550 Assessment on pharmacy organizations	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$46,500,000</u>
<b>ESTIMATED NET EFFECT ON THE PHARMACY REIMBURSEMENT ALLOWANCE FUND*</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$46,500,000</u></b>
<b>ICF/ID REIMBURSEMENT ALLOWANCE FUND (Provider tax) (0901)</b>				
<u>Income</u> - DSS §633.401 Assessment on ICF/ID organizations	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,880,000</u>
<b>ESTIMATED NET EFFECT ON THE ICF/ID</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$5,880,000</u></b>

<u>FISCAL IMPACT – State Government</u>	FY 2026	FY 2027	FY 2028	Fully Implemented FY 2032
<b>REIMBURSEMENT ALLOWANCE FUND*</b>				
<b>FEDERAL FUNDS</b>				
<u>Income - DSS</u>				
Assessment on ambulance organizations (§190.839)*	\$0	\$0	\$0	\$18,700,000
Assessment on nursing facility organizations (§198.439)*	\$0	\$0	\$0	\$326,700,000
Assessment on hospital organizations (§208.480)*	\$0	\$0	\$0	\$2,370,000,000
Assessment on pharmacy organizations (§338.550)*	\$0	\$0	\$0	\$90,500,000
Assessment on ICF/ID organizations (§633.401)*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,500,000</u>
Total <u>Income</u> – DSS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,810,400,000</u>
<u>Costs - DSS</u>				
Medicaid program expenditures*	\$0	\$0	\$0	(\$2,810,400,000)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS*</b>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

\*Oversight notes the provisions of this proposal removes the expiration date of September 30, 2029.

<u>FISCAL IMPACT – Local Government</u>	FY 2026	FY 2027	FY 2028	Fully Implemented FY 2032
<b>LOCAL POLITICAL SUBDIVISIONS</b>				
<u>Savings</u> – on Construction Management practices §§67.5050 & 67.5060	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> - School Districts & Charter Schools - legal costs §163.048	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - School Districts & Charter Schools - funding withheld for violating section §163.048	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - Community Colleges - legal costs §163.048	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - Community Colleges - funding withheld for violating section §163.048	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

#### FISCAL IMPACT – Small Business

There could be a direct fiscal impact to small businesses who utilize either of these construction management practices on projects as a result of this proposal.

Small health care businesses could be impacted by this proposal.

A direct fiscal impact to small businesses that participate in the various tax credit programs could be impacted as a result of this proposal.



## FISCAL DESCRIPTION

This act modifies the termination dates of certain sections.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Department of Health and Senior Services  
Office of Administration  
Department of Commerce and Insurance  
Department of Economic Development  
Department of Higher Education and Workforce Development  
Department of Natural Resources  
Department of Labor and Industrial Relations  
Missouri Department of Conservation  
Missouri Department of Transportation  
Kansas City  
Springfield  
McDonald County  
Metropolitan St. Louis Sewer District  
Northwest Missouri State University  
University of Central Missouri  
Department of Mental Health  
Department of Public Safety  
    Division of Alcohol and Tobacco Control  
    Capitol Police  
    Missouri Veterans Commission  
    Missouri Highway Patrol  
    Fire Safety  
    Office of the Director  
    Missouri Gaming Commission  
    State Emergency Management Agency  
Department of Social Services  
Office of Administration - Division of Budget & Planning  
Department of Elementary and Secondary Education  
Attorney General's Office  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
University of Missouri System  
Department of Revenue  
Oversight Division

Public Education Employee Retirement System  
Joint Committee on Public Employee Retirement  
Office of the State Courts Administrator  
Missouri Office of Prosecution Services  
Missouri Consolidated Health Care Plan  
Office of the Governor  
Phelps County Sheriff's Office  
Kansas City Police Department  
St. Louis County Police Department  
Fruitland Area Fire Protection District  
Department of Corrections  
Office of the State Public Defender  
Office of Administration - Administrative Hearing Commission  
Missouri Department of Agriculture  
MoDOT & Patrol Employees' Retirement System  
Office of the State Treasurer  
South River Drainage District  
Wayne County PWSD #2  
Missouri House of Representatives  
Missouri Senate  
Eureka Fire Protection District  
Washington School District  
Branson Police Department  
O'Fallon



Julie Morff  
Director  
May 8, 2025



Jessica Harris  
Assistant Director  
May 8, 2025