

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0303S.02C
 Bill No.: SCS for SB 10
 Subject: Aircraft And Airports; Architects; Cities, Towns, And Villages; Construction and Building Codes; Contracts and Contractors; Counties; Newspapers and Publications; Political Subdivisions; Property, Real and Personal; Public Buildings; Transportation; Utilities
 Type: Original
 Date: February 4, 2025

Bill Summary: This proposal repeals the sunset date on political subdivisions' authority to utilize certain methods of construction.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- 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 2026	FY 2027	FY 2028
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

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

In response to a previous version, officials from the **Department of Health and Senior Services** deferred to the **Office of Administration** for the potential fiscal impact of this proposal.

Officials from the **Office of Administration, Kansas City, McDonald County, the Northwest Missouri State University** and the **University of Central Missouri** 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 **Department of Commerce and Insurance, the Department of Economic Development, the Department of Higher Education and Workforce Development, the Department of Natural Resources, the Department of Labor and Industrial Relations, the Missouri Department of Conservation, the Missouri Department of Transportation, the City of Springfield** and the **Metropolitan St. Louis Sewer District** 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, counties 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 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> – on Construction Management practices §§67.5050 & 67.5060	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

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.

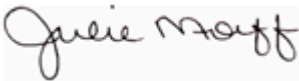
FISCAL DESCRIPTION

This act repeals the September 1, 2026, sunset date on the authority for political subdivisions to use the management-at-risk or the design-build method of constructing buildings and facilities, and makes technical corrections to the underlying statute.

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



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