

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1309S.02C
Bill No.: SCS for SB 83
Subject: Children and Minors; Crimes and Punishment; Criminal Procedure; Fees; Health
Care Professionals; Licenses - Driver's; Department of Revenue; Tax Credits
Type: Original
Date: March 21, 2025

Bill Summary: This proposal modifies provisions relating to child protection.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund*	Could exceed (\$1,454,627)	Could exceed (\$1,409,627)	Could exceed (\$2,500,000)
Total Estimated Net Effect on General Revenue	Could exceed (\$1,454,627)	Could exceed (\$1,409,627)	Could exceed (\$2,500,000)

*Oversight reflects an increase, for \$135,341, in the allowable contribution claim from 50% to 70% and an increase in the cap for the program in FY 2026 and FY 2027 from \$1.5 million to \$2.5 million. Additionally, Oversight reflects the full cap of \$2.5 million in FY 2028 based on the extension of the sunset date from December 31, 2025 (FY 2026) to December 31, 2030. Lastly, Oversight reflects a cost for DOR's estimated impact at one time cost of \$45,000 in FY 2026 for FUSION upgrade.

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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§135.341 – Champion for Children Tax Credit

Officials from the **Office of Administration – Budget & Planning (B&P)** state Section 135.341.2 would increase the value of the Champion for Children tax credit to 70% of each contribution beginning with tax year 2025. B&P notes that the three-year average redemption amount was \$1,024,066 from FY22-FY24. Had the tax credits been set at 70% of donations, redemptions would have been \$1,433,692; for an increase of \$409,626 in redemptions. This provision will begin impacting GR in FY26 when annual income tax returns are filed.

B&P notes that this proposal would increase the credit value for tax years beginning 2025. However, this proposal would not be effective until August 28, 2025 – after many individuals have already made their donation and received a certificate with a credit value set at 50%. It is unclear if each impacted individual would need to request a new certificate from the agency where the donation was made.

Section 135.341.3 would increase the annual redemption limit from \$1.5 million to \$2.5 million annually beginning with FY26.

B&P notes that this proposal increases the annual redemption limit by more than the estimated impact of increasing the credit value to 70%. Therefore, B&P estimates that in total, this proposal may reduce TSR and GR by \$409,626 to \$1 million annually beginning in FY26.

Section 135.341.7 makes technical changes to the language waiving any addition to tax, interest, and penalties on taxes due because tax credits being apportioned if the resulting tax due is paid within 60 days.

Section 135.341.9 extends the program sunset to 2031.

Officials from the **Department of Revenue (DOR)** state equal to 50% of a donation made to a qualified agency. It originally had a \$1 million cap and is an apportioned credit. It is administered by DOR.

The tax credit is able to be carried over to any subsequent 5 tax year. The credit is not assignable, refundable, transferrable, or can be sold. None of these things change with this proposal. The original credit contained a sunset clause which is extended per this proposal.

In 2018, the cap on the credit was increased starting July 1, 2019, to \$1.5 million annually. For informational purposes DOR is showing the amount of credits redeemed annually over the last several years.

Fiscal Year	Apportioned Cap	Total Credit Redeemed
FY 2024	\$1,500,000	\$961,385.26
FY 2023	\$1,500,000	\$1,225,848.00
FY 2022	\$1,500,000	\$884,965.00
FY 2021	\$1,500,000	\$1,339,280.00
FY 2020	\$1,500,000	\$827,942.00
FY 2019	\$1,000,000	\$999,995.00
FY 2018	\$1,000,000	\$999,986.00
FY 2017	\$1,000,000	\$999,873.00
FY 2016	\$1,000,000	\$999,987.00

This proposal starting January 1, 2025, would increase the amount of the credit to 70% of the donated amount. Since this credit has a cap, this change in the percentage rate will not have a fiscal impact. It should be noted that these changes will not be effective until after August 28, 2025. This change in the percentage of the cap will be taken on the tax returns starting January 1, 2026 (FY 2026).

This proposal will also increase the cap on the program from \$1.5 million to \$2.5 million starting July 1, 2025. This will result in an additional loss to general revenue of \$1 million starting FY 2026.

Fiscal Year	Loss to General Revenue
FY 2026	(\$1,000,000)
FY 2027	(\$1,000,000)
FY 2028	(\$1,000,000)

It should be noted that due to the backdating of this proposal to January 1, 2025, many of the taxpayers will already have made their donation and received their tax credit certificate at the 50% rate. It is unclear if new certificates will be required to be issued at the 70% rate.

The proposal will require DOR to make changes to the MO-TC form (\$2,200), and to update their website and make changes to the individual income tax computer system (\$1,832). These changes are estimated to cost \$4,032.

Oversight assumes the Department of Revenue (DOR) is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes DOR could absorb the administrative

costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight notes the last three-year (2022-2024) average redemption totaling \$1,024,066 in tax credits at 50% contribution amounts.

Oversight assumes at the 70% contribution, and three-year average redemption amounts shown above, the taxpayers will be able to receive \$1,433,693 $[(\$1,024,066/0.5) \times 0.70]$. Therefore, the taxpayer could receive up to \$409,627 (\$1,433,693 - \$1,024,066) more at 70% redemption rate. Oversight notes this proposal increases the cap from \$1.5 million to \$2.5 million. This would be an additional cost to general revenue of \$1 million starting in FY 2026. The combined impact would be \$1,409,627 in FY 2026 and FY 2027.

Lastly, **Oversight** notes the program would sunset as of December 31, 2025 (with redemption occurring in FY 2026) without this proposal. Therefore, Oversight will show an impact up to the full program cap of \$2.5 million in FY 2028 as a continuance of the program beyond the current sunset date.

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

§§136.055, 302.178 & 302.181 – License Office Distribution Fund & License Fees Waived for Homeless Youth

Officials from the **Office of Administration – Budget & Planning** assume the proposal waive license fees for homeless youth. It is unknown how many homeless youth will request fee exemptions for these licenses. Therefore, to the extent that fewer license fees are collected, total state revenue may decrease by an unknown amount beginning August 28, 2024.

Officials from the **Department of Revenue (DOR)** assume these provisions would prevent DOR from collecting motor vehicle registration, title and driver license fees from homeless youth and emancipated minors.

Driver License Impact

This proposal states that no nondriver license or intermediate driver license transaction fees shall be collected from a homeless child or youth or emancipated minor, for a first nondriver license card or intermediate driver license card issued under this subsection. Pursuant to this language, fees for subsequent, new, renewal or duplicate license transactions would be issued at full required fees. The processing fee for each nondriver license is \$12.00 and is deposited into general revenue while the fee for the intermediate license is \$6.00 and it is deposited \$4.38 to the State Road Fund, \$0.90 to the Cities and \$0.72 to the Counties.

DOR notes that during FY 23 there were a total of 44,141 new nondriver licenses issued and in FY 24 there were a total of 115,722 new nondriver licenses issued. Additionally, during FY 23 there were a total of 54,028 new intermediate licenses issued while in FY 24 there were a total of 54,469 new intermediate licenses issued.

Using information from the U.S. Census Bureau, DOR notes that there are 331,981 kids between the ages of 16-19 that could be eligible for these types of licenses. Per the U.S. Census Bureau only about 8% of all people living in a homeless shelters are children. Assuming that the 8% is equally spread among all youth under 18, then about 26,558 could be homeless and eligible to receive these types of licenses.

DOR is unable to determine how many of these kids would seek a nondriver license or intermediate drive license however, based on DOR records 34.86% of eligible youth receive a nondriver license and 16.41% of eligible youth received an intermediate license. DOR estimates that 9,258 eligible youth may apply for the nondriver license while 4,358 may apply for the intermediate license. DOR notes that some eligible youth may not have either of these types of licenses due to the expense. DOR was also unable to find statistics on the number of emancipated minors. Therefore, DOR will assume the impact would exceed the estimate provided.

The nondriver licenses could result in a loss to general revenue that exceeds \$111,093 (9,258 youth * \$12 fee). The intermediate license could result in a loss to the State Road Fund and cities and counties of \$26,145 (4,358 youth * \$6 fee). The loss would exceed \$19,086 to the State Road fund with a loss to counties of \$3,137 and the loss to cities of \$3,922.

DOR would need to modify their internal procedures for handling these licenses and communicate with their numerous license offices about this change. Additionally, DOR is in the process of creating a Motor Vehicle and Driver Licensing Integrated system. Making these changes would require 200 hours at \$225 per hour for a cost of \$45,000.

Oversight notes, according to the National Conference of State Legislatures ([NCSL](#)), as of January 2019, 6,179 individuals of all ages were homeless in Missouri. Of these, 1,359 were under the age of 18. Among the homeless youth and young adults, 477 were unaccompanied by an adult.

If all 1,359 of these homeless youth applied for a non-driver license or intermediate driver license, the loss would amount to approximately \$8,154 (1,359 x \$6). Oversight assumes there will be a minimal loss of revenue from this proposal; therefore, **Oversight** will not reflect a material loss of revenue to the Highway Fund or local political subdivisions.

Oversight notes that DOR estimated the need for upgrade to the Motor Vehicle and Driver Licensing Integrated System (FUSION), as a one-time cost totaling \$45,000 in FY 2026. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect DOR's impact in the fiscal note.

§491.075 and §492.304 Admissibility of Statements Made by a Minor

In response to the similar proposal, HB 1868 (2024), officials from the **Department of Public Safety – Highway Patrol**, the **Department of Social Services**, the **Office of the State Public Defender**, the **Missouri Office of Prosecution Services**, and the **Office of the State Courts Administrator** each 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.

Overall bill:

In response to the previous version of the proposal, officials from the **Attorney General’s Office** 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 for these agencies.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Office of Administration**, the **Department of Commerce and Insurance**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Public Safety – Director’s Office**, **Department of Public Safety – Highway Patrol**, the **Office of the State Public Defender**, the **Department of Social Services**, the **Missouri Office of Prosecution Services**, and the **City of Kansas City** 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.

Officials from the **Office of the State Courts Administrator (OSCA)** assume in reference to Senate Bill 83 there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can’t be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Missouri Department of Transportation (MODOT)** defer to the DOR for the potential fiscal impact of this proposal.

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

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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Costs</u> – §135.341 – CASA Tax Credits - the difference between 50% to 70% contributions (based on a 3-year historical average of redemptions) and expending the cap to \$2.5M from previously set \$1.5M. p.5	Could Exceed (\$1,409,627)	Could Exceed (\$1,409,627)	Up to (\$2,500,000)
<u>Cost</u> – DOR –FUSION Computer System Updates (§136.055) p. 7	(\$45,000)	\$0	\$0
<u>Cost</u> – OSCA – Unknown costs (§136.055) p. 8	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Could exceed (\$1,454,627)</u>	<u>Could exceed (\$1,409,627)</u>	<u>Could exceed (\$2,500,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A direct fiscal impact to small businesses would be expected as a result of this proposal allowing business to access the tax credit beyond December 31, 2025.

FISCAL DESCRIPTION

This act modifies several provisions relating to child protection, including: (1) the "Champion for Children" tax credit; (2) homeless children; (3) SAFE CARE providers; and (4) admissibility of certain evidence relating to children.

"CHAMPION FOR CHILDREN" TAX CREDIT (Section 135.341)

Currently, a tax credit may be claimed in amount equal to up to 50% of a verified contribution to a CASA, child advocacy center, or a crisis care center. This act increases the amount to 70% for all tax years on or after January 1, 2025, up to \$50,000 in any tax year. The cumulative amount of the tax credit redeemed in a fiscal year shall not exceed \$2.5 million beginning July 1, 2025. In the event a full or partial credit denial due to the cumulative maximum amount of credits having been redeemed for the fiscal year causes an income tax balance owed to the state by the taxpayer, the taxpayer shall not be held liable for any addition to tax, penalty, or interest on that income tax balance due under the conditions specified in the act.

This act also extends the expiration date of the tax credit from December 31, 2025, to December 31, 2031.

HOMELESS CHILDREN (Sections 136.055, 302.178, and 302.181)

This act exempts homeless children, homeless youths, and unaccompanied youths, as defined by law, from certain fees collected by Department of Revenue fee offices. The act also adds these groups to the definition of "emancipated minor" for purposes of proving the supervised driving experience required to obtain an intermediate driver's license, and exempts emancipated minors from intermediate driver's license fees. The act provides that no fee shall be required or collected from a homeless child, homeless youth, or unaccompanied youth to obtain his or her first nondriver identification card.

A minor's status as a homeless child, homeless youth, or unaccompanied youth under the act shall be verified by a letter signed by a director or designee of a governmental or nonprofit

agency providing services to homeless persons, by a local education agency liaison as described under federal law, by a school social worker or counselor, or by an attorney who is representing the minor in a legal matter.

ADMISSIBILITY OF CERTAIN EVIDENCE IN CRIMINAL CASES (Sections 491.075 and 492.304)

Under current law, a statement made by a child under 14 years of age may be admissible in criminal proceedings under certain circumstances. This act changes the age to a child under the age of 18 years of age.

Additionally, this act provides that visual or audio recordings of a child under 18 years of age relating to certain criminal offenses shall be admissible in criminal proceedings under certain circumstances.


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

SOURCES OF INFORMATION

Attorney General's Office
Office of Administration - Administrative Hearing Commission
Office of Administration
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Social Services
Department of Public Safety – Director's Office
Missouri Department of Transportation
Office of the State Public Defender
Missouri Office of Prosecution Services
Joint Committee on Administrative Rules
Office of the Secretary of State

L.R. No. 1309S.02C
Bill No. SCS for SB 83
Page **11** of **11**
March 21, 2025

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Office of the State Courts Administrator
Department of Revenue
City of Kansas City



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