

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1336S.01I
Bill No.: SB 296
Subject: Aircraft and Airports; Law Enforcement Officers and Agencies; Political
Subdivisions; Department of Public Safety; Transportation
Type: Original
Date: March 3, 2025

Bill Summary: This proposal enacts "the foreign unmanned aircraft law".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$89,648 to Likely to exceed \$339,648)	(\$104,790 to Likely to exceed \$354,790)	(\$106,569 to Likely to exceed \$356,569)
Total Estimated Net Effect on General Revenue	(\$89,648 to Likely to exceed \$339,648)	(\$104,790 to Likely to exceed \$354,790)	(\$106,569 to Likely to exceed \$356,569)

*DPS 1 FTE for grant program plus cost to provide grants to public entities to replace unmanned aircraft purchased likely to exceed \$250,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
College and University*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

* Oversight assumes replacement grant funds may not cover total replacement costs. Costs could exceed \$250,000.

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
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

* Oversight assumes replacement grant funds may not cover total replacement costs.

FISCAL ANALYSIS

ASSUMPTION

§650.600 – Foreign unmanned aircraft law

Officials from the **Department of Public Safety (DPS) – Director’s Office** state one FTE (Program Specialist, \$47,950 annually) is needed to manage the collection of aircraft that do not comply with the proposed law and one FTE (Grant Specialist, \$61,376 annually) to oversee the grant program.

DPS estimates a total fiscal impact to the General Revenue Fund of \$163,622 for FY 2026; \$190,395 for FY 2027; and \$193,571 for FY 2028.

Oversight notes the provisions of this proposal prohibit public entities from purchasing or acquiring certain small unmanned aircraft systems and that public entities are prohibited from using these systems after May 1, 2027. This proposal provides that DPS shall implement a small unmanned aircraft system replacement grant program to provide funds to public entities impacted by the provisions of §650.660.3.

The provisions of §650.660.4 provide that under the program, public entities that surrender to DPS aircraft systems that do not comply with the provisions of the proposal shall be eligible to receive funds to acquire aircraft systems that do comply. Certain parameters and restrictions are provided in the proposal. Funds under the program shall be allocated to public entities on a first-come, first-serve basis based on properly completed applications.

Oversight assumes the 1 FTE requested by DPS to manage the grant program can also oversee the collection of aircraft systems submitted by public entities. Oversight further assumes the legislature will appropriate General Revenue funds for the replacement grant program and that the amount is unknown, but likely to exceed \$250,000 annually, subject to appropriations.

Officials from the **Branson Police Department (PD)** state this proposal will have a direct and negative impact on the Branson PD as it has invested \$45,000 and over a hundred hours of training and licensing time to create its Drone Unit. This bill would cause the PD to lose the use of the two drones already purchased (one large and one small for SWAT operations). Currently, no domestic company offers comparable drones, with the number of uses the PD needs to protect life, for reasonable costs. The available domestic drones would cost this agency **over \$100,000** for the same capabilities the PD currently has with its DJI drones.

In response to the previous version of this proposal, officials from the **City of O’Fallon (City)** state, based on research conducted by the **O’Fallon Police Department (PD)**, it appears that small American drones are \$15,000-\$17,000 each and the larger foreign drone is \$24,000. The PD has a total of 13 drones. If the City replaced all of the drones with only American made, the total cost for the police department would exceed **\$200,000**.

According to the **City's Public Relations Division**, anything USA made is going to be significantly over-engineered for the City's purposes. This would require the City to use the Parrot ANAFI USA at \$7,000 each. The Parrot ANAFI USA comes with a controller that requires another device, such as an iPad Mini (\$500) to operate, so the total cost would be **\$7,500**.

The **City's Engineering Department** states that the DJI mini 4 Pro with combo Plus purchased in 2024 cost approximately \$1,300. The American made replacement would cost around **\$1,600**.

In total, the provisions of this proposal would cost the City of O'Fallon approximately \$209,100 (\$200,000 + \$7,500 + \$1,600) to replace the drones currently in use.

Officials from the **Morgan County Public Water Supply District #2** stated the proposal would have a fiscal impact on their organization. However, no additional information was provided. Therefore, **Oversight** assumes any impact is minimal and can be absorbed by the entity.

Oversight has no information to the contrary. As some cities, police departments and utilities (listed below) assumed the proposal would have no fiscal impact on their organizations, Oversight will range costs from \$0 to (Unknown) for local governments. Oversight does not assume local governments will not incur costs in excess of grant funds received to replace non-conforming drones. Additionally, Oversight assumes the unknown costs could exceed \$250,000 annually.

Officials from **Southeast Missouri State University (SEMO)** state there is a potential negative impact of an undetermined amount, likely to exceed \$250,000. This impact is based on the assumptions that the number of students enrolled in SEMO's Bachelor of Science in Unmanned Aircraft Systems and Minor in Unmanned Aircraft Systems may decline and the estimated cost to replace SEMO's current fleet of unmanned aircraft systems that it may no longer be able to support.

Officials from the **University of Central Missouri (UCM)** state this proposal will have an indeterminate fiscal impact on UCM.

Oversight has no information to the contrary. Oversight assumes the universities will replace the drones and there will be no impact on the number of students enrolled in the programs offered by the institutions. Oversight will present a \$0 to (Unknown) cost to College and University funds for replacing unmanned aircraft that no longer comply with the provisions of the legislation but does not assume colleges and universities will not incur costs in excess of grant funds received. Oversight assumes the unknown impact could exceed \$250,000 annually.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Office of Administration - Budget and Planning** defer to the Department of Public Safety – Director’s Office for response regarding the potential fiscal impact of this proposal.

Officials from the **Office of Administration - Administrative Hearing Commission** the **Department of Commerce and Insurance**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, 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**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety (DPS)**, **Divisions of: Alcohol and Tobacco Control, Capitol Police, Fire Safety, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission**, and the **State Emergency Management Agency**, the **Department of Social Services**, the **Office of the Governor**, the **Missouri Department of Agriculture**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri Department of Transportation**, the **Missouri National Guard**, the **MoDOT & Patrol Employees’ Retirement System**, the **Office of Administration**, the **Office of the State Public Defender**, the **Office of the State Treasurer**, the **City of Kansas City**, the **City of Osceola**, the **Jackson County Election Board**, the **Platte County Board of Elections**, the **St. Louis City Board of Elections**, the **St. Louis County Board**, the **Newton County Health Department**, the **Lincoln County Assessor**, the **Clay County Auditor**, the **Phelps County Sheriff**, the **Kansas City Police Department**, the **St. Louis County Police Department**, the **County Employees Retirement Fund**, the **Kansas City Civilian Police Employees’ Retirement**, the **Kansas City Police Retirement System**, the **Kansas City Public School Retirement System**, the **Metro St. Louis Sewer District Employees Pension Plan**, the **Public Education Employees’ Retirement System**, the **Sheriff’s Retirement System**, the **Metropolitan St. Louis Sewer District**, the **Osceola Water/Wastewater District**, the **South River Drainage District**, the **St. Charles County Public Water Supply District #2**, the **Wayne County Public Water Supply District #2**, **Northwest Missouri State University**, **THE Office of the Lieutenant Governor**, the **Office of the State Auditor**, the **Missouri House of Representatives**, the **Joint Committee on Education**, the **Joint Committee on Public Employee Retirement**, **Legislative Research**, the **Oversight Division**, the **Missouri Senate**, the **Missouri Lottery**, the **Missouri Consolidated Health Care Plan**, the **Missouri Office of Prosecution Services**, the **Missouri State Employee's Retirement System**, the **Office of the State Courts Administrator**, the **State Tax Commission**, the **Mid-Continent Public Library**

and the **Rolling Hills Consolidated Library** 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, local election authorities, various county officials, local public health departments, nursing homes, local law enforcement, fire protection districts, ambulance and EMS, retirement, schools, utilities, hospitals, colleges and universities, electric companies, solid waste management districts and public libraries 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
GENERAL REVENUE FUND			
<u>Costs – DPS (\$650.600) p.3</u>			
Personal service	(\$51,147)	(\$62,604)	(\$63,856)
Fringe benefits	(\$33,660)	(\$40,884)	(\$41,385)
Equipment and expense	(\$4,841)	(\$1,302)	(\$1,328)
<u>Total Costs – DPS</u>	<u>(\$89,648)</u>	<u>(\$104,790)</u>	<u>(\$106,569)</u>
FTE Change – DPS	1 FTE	1 FTE	1 FTE
<u>Transfer-out – DPS (\$650.600) – funds for replacement of drones to public entities for non-conforming drones</u>	<u>\$0 to (Unknown, likely to exceed \$250,000)</u>	<u>\$0 to (Unknown, likely to exceed \$250,000)</u>	<u>\$0 to (Unknown, likely to exceed \$250,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$89,648 to Likely to exceed \$339,648)</u>	<u>(\$104,790 to Likely to exceed \$354,790)</u>	<u>(\$106,569 to Likely to exceed \$356,569)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
COLLEGE AND UNIVERSITY FUNDS			
<u>Transfer-in – College and Universities (\$650.600) – grant funds to replace non-conforming drones p.4</u>	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs – College and Universities (\$650.600) – replacement of non-conforming drones p. 4</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY FUNDS*	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

* Oversight assumes replacement grant funds may not cover total replacement costs.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL GOVERNMENTS			
<u>Transfer-in</u> – Local governments (\$650.600) – grant funds to replace non-conforming drones p.4	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> – Local governments – increase in costs for inspection and surveillance of facilities and property, purchase of new drones, etc. (\$650.600) p.3-4	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS*	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>

* Oversight assumes replacement grant funds may not cover total replacement costs.

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill enacts "The Foreign Unmanned Aircraft Law", prohibiting public entities from purchasing or acquiring small unmanned aircraft systems manufactured or assembled by certain foreign entities. Public entities will also be prohibited from using such unmanned aircraft systems after May 1, 2027. The Director of the Department of Public Safety can grant exceptions as specified in the bill.

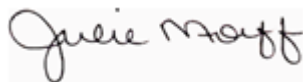
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Office of Administration –
Administrative Hearing Commission
Budget and Planning
Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development

Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety –
 Division of Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Director’s Office
 Missouri Gaming Commission
 Missouri Highway Patrol
 Missouri Veterans Commission
 State Emergency Management Agency
Department of Social Services
Office of the Governor
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri Department of Transportation
Missouri National Guard
MoDOT & Patrol Employees’ Retirement System
Office of Administration
Office of the Secretary of State
Office of the State Public Defender
Office of the State Treasurer
City of Kansas City
City of O’Fallon
City of Osceola
Jackson County Election Board
Kansas City Election Board
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Newton County Health Department
Lincoln County Assessor
Clay County Auditor
Phelps County Sheriff
Branson Police Department
Kansas City Police Department
St. Louis County Police Department
County Employees Retirement Fund
Kansas City Civilian Police Employees’ Retirement

Kansas City Police Retirement System
Kansas City Public School Retirement System
Metro St. Louis Sewer District Employees Pension Plan
Public Education Employees' Retirement System
Sheriff's Retirement System
Metropolitan St. Louis Sewer District
Morgan County Public Water Supply District #2
Osceola Water/Wastewater District
South River Drainage District
St. Charles County Public Water Supply District #2
Wayne County Public Water Supply District #2
Northwest Missouri State University
Southeast Missouri State University
University of Central Missouri
Office of the Lieutenant Governor
Office of the State Auditor
Missouri House of Representatives
Joint Committee on Administrative Rules
Joint Committee on Education
Joint Committee on Public Employee Retirement
Legislative Research
Oversight Division
Missouri Senate
Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri Office of Prosecution Services
Missouri State Employee's Retirement System
Office of the State Courts Administrator
State Tax Commission
Mid-Continent Public Library
Rolling Hills Consolidated Library



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March 3, 2025



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March 3, 2025