

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5639S.03P  
 Bill No.: Perfected SS for SCS for SB 974  
 Subject: Advertising and Signs; Contracts and Contractors; Crimes and Punishment; Military Affairs; Veterans  
 Type: Original  
 Date: February 12, 2026

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Bill Summary: This proposal modifies provisions relating to compensation for services rendered in veteran benefits matters.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(More or less than \$4,825,491)	(More or less than \$4,760,738)	(More or less than \$4,670,049)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(More or less than \$4,825,491)</b>	<b>(More or less than \$4,760,738)</b>	<b>(More or less than \$4,670,049)</b>

\*DOC notes that current capacity will be met by July 2029 (FY 2030) or potentially much sooner. Therefore, Oversight has made the decision to reflect the marginal cost of incarceration up to an unknown cost if DOC needs to add staff and/or rehabilitate, expand or construct additional capacity. Oversight assumes the unknown cost has the potential to significantly exceed \$250,000.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
MO National Guard Cybersecurity Revolving Fund*	\$0	\$0	\$0
MO GIVES Fund*	\$0	\$0	\$0
MO National Guard Counterdrug Revolving Fund	\$0	\$0	\$0
Colleges and Universities**	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*Revenue and expenses net to zero.  
 \*\*Oversight assumes the fiscal impact is for the increased leave of absence hours paid to college and university employees for qualified military service.

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

#### §41.216 (SA2) – Missouri Family Relief Fund

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Missouri National Guard (MONG)** 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 for the agency.

#### §41.430 (SA1) – Establishes the Supporting Missouri Servicemen and Women Act

In response to similar legislation, SB 925 (2026), officials for the **Missouri National Guard (MONG)** state that without understanding the full breadth of the potentially impacted population (including how many members would serve in the applicable duty statuses in a given fiscal year, the frequency and duration of state active duty missions, and how often members would transition between mission of less than 30 days and missions exceeding 30 days), the Missouri National Guard (MONG) finds it difficult to provide a precise fiscal impact estimate for SB 925.

Additionally, MONG is unable to reliably project the cost of the insurance-premium allowance because insurance cost and premium structures may change year-to-year, eligibility and enrollment may vary by member, and the bill references TRICARE and “other government-sponsored insurance programs,” which could introduce variability in coverage selections and premium amounts across the impacted population.

Oversight notes upon further inquiry, the MONG stated that in 2025 there were no missions that lasted over 30 days and there were 10 missions that were under 30 days.

Oversight is unable to determine how many future state activations may arise, the duration of those activations, the number of Guard members involved, or the mix of rank and family status. Therefore, Oversight will reflect an unknown cost in the fiscal note. Oversight assumes that cost could exceed the \$250,000 threshold.

#### §41.477 (SA2) – Missouri National Guard Counterdrug Revolving Fund

Oversight notes that this proposal also creates the “Missouri National Guard Counterdrug Revolving Fund” and shall consist of monies which shall consist of all moneys received by the

Missouri National Guard through federal asset forfeiture programs, including, but not limited to, the United States Department of Justice Asset Forfeiture Program, the United States Department of the Treasury Asset Forfeiture Program, and any successor programs or funds established by the federal government for the distribution of seized or forfeited assets. For simplicity, Oversight assumes any funds will be utilized in the year in which they were received.

Oversight will reflect a \$0 impact to the Missouri National Guard Counterdrug Revolving Fund. For simplicity, Oversight assumes any funds will be utilized in the year in which they were received.

§§41.475, 41.598, and 41.599 (SA 2) – Creation of New Missouri National Guard Ribbons

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Missouri National Guard** state that the program will cost the department \$2,100 (\$700 per ribbon category for initial setup) for the original production of each of the ribbons and then \$600 annually (\$200 per ribbon category) to restock and will also be able to absorb the cost of the ribbons. The original estimation is 100 ribbons per program.

**Oversight** notes that these sections create three new ribbons that can be awarded to MONG members that meet the qualifications set forth by the Adjutant General.

**Oversight** notes that the above-mentioned agency has stated the cost of this provision could be absorbed within current appropriations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

§41.1030 (SA 5) - Establishes the “Missouri Guaranteed Inclusive Voluntary Exceptional Service” (MO GIVES) Program

In response to similar legislation, SB 1555 (2026), officials from the **Missouri National Guard (MONG)** state that since a fund would be established for this and the money appropriated to the department, there would be no fiscal impact on the department. Only the absence of the staff member for an extended period of time with the position unfillable. The department is used to this scenario with employees out on short term disability, FMLA, etc. and it is something that can be worked around to accommodate the living donor.

**Oversight** notes that this proposal also establishes a program for members who choose to become living organ donors to receive living donor medical orders for purposes of remaining on paid status during the living donation period, to be known as the "Missouri Guaranteed Inclusive Voluntary Exceptional Service" (MO GIVES) Program. For simplicity, Oversight assumes any funds will be utilized in the year in which they were received.

Oversight will reflect a \$0 (no appropriation) or unknown transfer from General Revenue to the MO GIVES Fund for reimbursement of the expenses incurred.

In response to similar legislation, SB 1555 (2026), Officials from the **Department of Health and Senior Services** and **Office of the State Treasurer** 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.

§§41.1015-41.1018 (SA 2) - Cybersecurity Mission Act

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Missouri National Guard** state that there is no fiscal impact. If the legislation passes, then the Missouri National Guard would need spending authority in its budget for the fund created by that legislation.

**Oversight** notes that this proposal creates the “Cybersecurity Mission Act”, which provides that the Missouri National Guard may engage in cybersecurity, cyber-attack prevention, cyber-attack response, and cyber-attack support activities for this state and for political subdivisions, governing bodies, public colleges and universities, law enforcement agencies, utility companies, and critical infrastructure facilities of this state.

Oversight notes that this proposal also creates the “Missouri National Guard Cybersecurity Revolving Fund” and shall consist of monies appropriated by the General Assembly and monies received as a charge and monies received as reimbursement for expenses incurred by the Missouri National Guard related to rendering aid under this act. For simplicity, Oversight assumes any funds will be utilized in the year in which they were received.

Oversight will reflect a \$0 (no appropriation) or unknown transfer from General Revenue to the Missouri National Guard Cybersecurity Revolving Fund for reimbursement of the expenses incurred.

§42.028 – Compensation for Assisting with Veterans’ Benefits

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 **Department of Corrections (DOC)** state that SB 974 modifies provisions relating to compensation for services rendered in veteran benefits matters.

Section 42.028 creates provisions regarding persons providing assistance, advisement and consultation regarding veteran benefit matters and when compensation for such assistance can be

received. A violation of this section is considered an unlawful merchandising practice under section 407.020 and any action authorized in sections 407.010 to 407.130 can be taken. Section 407.020 stipulates any person who willfully and knowingly engages in any act, use, employment or practice declared to be unlawful by this section with the intent to defraud shall be guilty of a class E felony.

Section 407.095 stipulates any person who has been duly served with an order issued under subsection 1 of this section and who willfully and knowingly violates any provision of such order while such order remains in effect, either as originally issued or as modified, is guilty of a class E felony.

As these are new crimes, there is little direct data on which to base an estimate, and as such, the department estimates an impact comparable to the creation of two new class E felonies.

For each new nonviolent class E felony, the department estimates one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 4 additional offenders in prison and 14 additional offenders on field supervision by FY 2029.

	# to prison	Cost per year	Total Costs for <b>prison</b>	Change in probation & parole officers	Total cost for <b>probation and parole</b>	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1		(\$11,123)	(\$18,538)	0	\$0	4	(\$18,538)
Year 2		(\$11,123)	(\$45,382)	0	\$0	8	(\$45,382)
Year 3		(\$11,123)	(\$46,289)	0	\$0	14	(\$46,289)
Year 4		(\$11,123)	(\$47,215)	0	\$0	14	(\$47,215)
Year 5		(\$11,123)	(\$48,160)	0	\$0	14	(\$48,160)
Year 6		(\$11,123)	(\$49,123)	0	\$0	14	(\$49,123)
Year 7		(\$11,123)	(\$50,105)	0	\$0	14	(\$50,105)
Year 8		(\$11,123)	(\$51,107)	0	\$0	14	(\$51,107)
Year 9		(\$11,123)	(\$52,129)	0	\$0	14	(\$52,129)
Year 10		(\$11,123)	(\$53,172)	0	\$0	14	(\$53,172)

The department will assume a marginal cost (multiplied by number of offenders) for any projected increase or decrease in the incarcerated population. Marginal cost is \$30.47 per day or an annual cost of \$11,123 per offender which includes costs such as medical, food, wages and operational E&E. The unknown amount is a result of the uncertainty in the growth of the underlying offender population. The impact of any new legislation combined with the growth of

the underlying population could result in the tiered approach below in order to meet the population demands.

1. Fully staffing the current capacity (27,368) which is habitable, but DOC does not have the staffing resources for all bed space.
2. Rehabilitating current space that is not currently habitable and obtaining staffing resources for that space (requires capital improvements).
3. Expanding new capacity by adding housing units or wings to existing prisons and obtaining staffing resources for that space (requires capital improvements).
4. Constructing a new prison and obtaining staffing resources. Based on current construction projects in other Midwest states, the department estimates the cost of constructing a new 1,500-bed maximum security prison at approximately \$825 million to \$900 million plus annual operating costs of approximately \$50 million (requires capital improvements).

The department's population projections indicate current physical capacity will be met by July 2029; however recent trends indicate that capacity could be met much sooner. Should new construction be the result of the increasing offender population, the full cost per day per offender would be used which is \$106.96 or an annual cost of \$39,040. This includes all items in the marginal cost calculation plus fringe, personal service, utilities, etc.

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

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

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

**Oversight** does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's impact for fiscal note purposes. Oversight assumes the unknown cost has the potential to exceed \$250,000.

Officials from the **Office of the State Public Defender (SPD)** stated per the recently released National Public Defense Workload Study, the new charge contemplated by a violation of Section 42.028 would take approximately thirty-five hours of SPD work for reasonably effective representation. If one hundred cases were filed under this section in a fiscal year, representation would result in a need for an additional one to two attorneys. Because the number of cases that

will be filed under this statute is unknown, the exact additional number of attorneys necessary is unknown. Each case would also result in unknown increased costs in the need for core staff, travel, and litigation expenses.

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

In response to a previous version, officials from the **Missouri Office of Prosecution Services (MOPS)** assumed the proposal will have no measurable fiscal impact on MOPS. The enactment of a new crime (§42.028.10) creates additional responsibilities for county prosecutors and the circuit attorney which may, in turn, result in additional costs, which are difficult to determine.

**Oversight** notes this act provides that no person shall receive compensation for advising or assisting, or referring to another person for such purposes, any individual with regard to any veteran's benefits matter, as described in the act, unless such individual provides a written agreement containing the terms of the fees, provides certain disclosures, and complies with requirements under federal law. Additionally, no person shall advertise for such services without including a disclosure as specified in the act. Furthermore, no person shall receive compensation for any services rendered before the date on which a notice of disagreement is filed with the United States Department of Veterans Affairs and no person shall guarantee the receipt of specific veteran benefits. Any person who violates this act shall constitute an unlawful practice under §407.020 and any action authorized in sections §§407.010 to 407.130 may be taken. Oversight assumes this will have a minimal fiscal impact and will not present an impact for fiscal note purposes.

Officials from the **Department of Commerce and Insurance, Office of the State Courts Administrator, Department of Public Safety - Missouri Veterans Commission, and Missouri National Guard** each assume 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.

§42.028 (SA 3) – Compensation for Assisting with Veterans' Benefits

**Oversight** assumes this amendment is clarification language and will have no fiscal impact.

§§42.300, 42.311, 42.312, 42.313, 42.315, and 42.316 (SA 2) - Veterans Commission Service Recognition Updates

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Missouri Veterans Commission (MVC)** stated that there is a limited fiscal impact as MVC is already creating forms and soliciting designs for medallions, medals and certificates.

**Oversight** assumes the MVC is provided with core funding to handle a certain amount of activity each year. Oversight assumes the MVC could absorb the costs related to this provision. If multiple bills pass which require additional staffing and duties at substantial costs, the MVC could request funding through the appropriation process.

§105.265 (SA 2) - State-Sponsored Life Insurance Program

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Missouri National Guard** 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 for the agency.

Upon further inquiry, MONG stated they have already been doing this for years until recent federal regulations prohibited it. The new state law would just allow the MONG to continue what it had already been doing for years.

§105.270 (SA 2) - Leave from Employment for Military Service

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Office of Administration (OA)** assume §105.270 states all officers and employees of this state, or of any department or agency thereof, or of any county, municipality, school district, or other political subdivision, and all other public employees of this state who are or may become members of the National Guard or of any reserve component of the Armed Forces of the United States, shall be entitled to leave of absence from their respective duties, without loss of time, pay, regular leave, impairment of efficiency rating, or of any other rights or benefits, to which otherwise entitled, for all periods of military services during which they are engaged in the performance of duty or training in the service of this state at the call of the governor and as ordered by the adjutant general without regard to length of time, and for all periods of military services during which they are engaged in the performance of duty in the service of the United States under competent orders for a period not to exceed a total of one hundred sixty hours in any federal fiscal year.

Thus, allowing an additional 40 hours of leave with pay - military time. The increase in hours would potentially have a cost impact of \$0 to unknown, but a potential estimate of \$501,931.60.

Calculations are based on the team members from Federal Fiscal Year 2025 who utilized leave with pay-military time (467 Team members) multiplied by the average hourly rate state team members (\$26.87) multiplied by the proposed hours of 160 minus the team members from Federal Fiscal Year 2025 who utilized leave with pay-military time (467 Team members) multiplied by the average hourly rate state team members (\$26.87) by 120.

$$((467 * \$26.87) * 160) - ((467 * \$26.87) * 120) = \$501,935.20$$

There is no way to calculate how much of this leave would be used, and specifically, how many military state team members would utilize the full amount of leave. The OA is unable to say for certain the number and duration that a military state team member would use leave with pay-military time, the OA has calculated a range of \$0 to unknown, but a potential estimate of \$501,931.60.

**Oversight** does not have any information to the contrary. Therefore, Oversight will show the fiscal impact of up to \$501,932 in cost to General Revenue for various state agencies as estimated by the OA.

Oversight notes that §105.270.1 includes who is considered a qualified employee for leave with pay – military time. Therefore, for fiscal note purposes, Oversight will show a fiscal impact to colleges and universities along with local political subdivisions of \$0 (no qualified employees take leave with pay – military time) to an Unknown cost for qualified employees that take leave with pay that could exceed the \$250,000 threshold.

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Missouri National Guard** 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 for the agency.

#### §41.220 (SA2) – Repeal of the Military Council

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Missouri National Guard** 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 for this agency.

**Oversight** notes this section repeals the Military Council, which duties included acting in an advisory capacity on matters provided by the Governor and the Adjutant General and making recommendations of appropriations and expenses of the MONG.

#### §143.121 (SA 4) - Income Tax Deduction for Certain Survivor Benefits

In response to similar legislation, SB 59 (2025), officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal would exempt 100% of military pension survivor benefits from Missouri income tax beginning with tax year 2025. B&P was unable to find any information on the number or amount of such payments. Therefore, B&P estimates that this proposal could result in an unknown, may be significant, loss to TSR and GR beginning FY26 (when tax year 2025 returns are filed).

Officials from the **Department of Revenue (DOR)** note that this proposal would extend the subtraction that members of the military receive for their retirement benefits. Their retirement benefits are allowed to be subtracted from their Missouri Adjusted Gross Income (MAGI) when calculating taxable income. This proposal would expand the exemption to survivor benefits derived from the retirement benefits.

DOR notes that the Dependency Indemnity Compensation (DIC) and the Survivor Benefit Plan (SBP) are the two main survivor benefit programs. Payments under the DIC program are exempt from federal and state income taxes, while payments under the SBP program are taxable at the federal and state level.

DOR does not maintain information on these types of benefits. However, the Department of Defense publishes data indicating that there are 5,951 survivors receiving a total of \$78.6 million in SBP payments in Missouri during federal fiscal year 2022. During federal fiscal year 2025, there were 311,000 survivors receiving \$5.4 billion in payments in the United States. If Missouri had the same ratio of survivors and payments in Federal FY25 as Federal FY22, of those 311,000 survivors approximately 5,976 lived in Missouri and received SBP payments of \$91.6 million.

Based on the information above, the average survivor benefit is approximately \$15,327 per year. DOR notes that Section 143.124.5 already allows taxpayers to subtract up to the maximum social security benefit (\$49,824 for 2026) in public pension benefits from their Missouri Adjusted Gross Income. However, the public pension benefit is also reduced by any amount of social security subtracted from a taxpayers adjusted gross income (Section 143.124.7). Therefore, it is possible that some taxpayers may not currently be able to subtract their full SBP payments from Missouri income tax.

DOR estimates that this proposal could exempt up to \$91.6 million income, though most of that income may be exempt under the public pension subtraction. Therefore, they will show the impact as less than the full amount calculated.

Subtractions do not reduce revenues on a dollar-for-dollar basis, but rather in proportion to the top tax rate applied. SB 3 adopted in (2022) is allowing the individual income tax rate to be reduced over a period of time based on certain revenue triggers. The tax rate for tax year 2026 is 4.7%. They show the impact over the full implementation of SB 3. The general revenue loss is estimated to be:

	TY 2026 (FY27)	TY 2027 (FY28)	TY 2028 (FY29)	TY 2029 (FY30)
4.7%	Less than (\$4,305,021)	Less than (\$4,305,021)	Less than (\$4,305,021)	Less than (\$4,305,021)
4.6%		Less than (\$4,213,424)	Less than (\$4,213,424)	Less than (\$4,213,424)
4.5%			Less than (\$4,121,828)	Less than (\$4,121,828)

This will require the Department to add another deduction to the MO-1040 & MO-A at a cost of \$2,200 per form. They will also be required to update their website and computer programming at a cost of \$7,547

**Oversight** notes the DOR requests a one-time cost of \$7,547 for website income-tax changes and updates to comply with the proposed language along with a one-time cost of \$4,400 to update form MO-1040 & MO-A ; however, Oversight notes that DOR receives appropriation for routine website updates and will not show those costs in the fiscal note. Oversight assumes that the DOR can absorb the costs associated with the form updates. If not, the DOR can request additional funding through the appropriations process.

For the purpose of this fiscal note, **Oversight** assumes a top income tax rate of 4.7% in tax year 2026 (FY 2027) and future income tax rate reductions from SB 3 (2022) will trigger consecutively (4.6% in FY 2028 and 4.5% in FY 2029+) as reflected the estimated by the DOR.

### **Fiscal Impact**

	TY 2026 (FY 2027)	TY 2027 (FY 2028)	TY 2028 (FY 2029)
	4.7%	4.6%	4.5%
Less Than...	(\$4,305,021)	(\$4,213,424)	(\$4,121,828)

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the fiscal impacts as provided by the DOR to general revenue beginning in FY2027. Oversight assumes the fiscal impact could be significant.

In response to similar legislation, SCS for SB 1003 (2026), officials from the **Department of Higher Education and Workforce Development, Department of Revenue, Department of Public Safety- Office of the Director, and Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

### 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 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Cost – DOC (\$42.028) Increased incarceration costs p.5-8</u>	(\$18,538 to Unknown)	(\$45,382 to Unknown)	(\$46,289 to Unknown)
<u>Cost – MONG (\$41.430) Personnel and benefit expenditures p.3</u>	(Unknown)	(Unknown)	(Unknown)
<u>Cost – OA (\$105.270) For increased leave of absence hours paid to state team members for qualified military service. p.9-10</u>	(Up to \$501,932)	(Up to \$501,932)	(Up to \$501,932)
<u>Revenue Reduction – (\$143.121) Income Tax Subtraction for Certain Survivor Benefits p.10-12</u>	(Less than \$4,305,021)	(Less than \$4,213,424)	(Less than \$4,121,828)
<u>Transfer Out – (§§41.1015-41.1018) To the Missouri National Guard Cybersecurity Revolving Fund p.5</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Transfer Out – (\$41.1030) To the MO GIVES Fund p.4</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(More or less than \$4,825,491)</b>	<b>(More or less than \$4,760,738)</b>	<b>(More or less than \$4,670,049)</b>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>MISSOURI NATIONAL GUARD CYBERSECURITY REVOLVING FUND</b>			
<u>Transfer In</u> – (§§41.1015 - 41.1018) From General Revenue p.5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue</u> – (§§41.1015 - 41.1018) Monies received as a charge for expenses incurred by MONG p.5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue</u> – (§§41.1015 - 41.1018) Monies received as reimbursement for expenses incurred by MONG p.5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – (§§41.1015 - 41.1018) Expenses for rendering aid p.5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON MISSOURI NATIONAL GUARD CYBERSECURITY REVOLVING FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>MO GIVES FUND</b>			
<u>Transfer In</u> – (§41.1030) From General Revenue p.4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – (§41.1030) Expenses for living donor medical orders to MONG members p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON THE MO GIVES FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>MISSOURI NATIONAL GUARD COUNTERDRUG REVOLVING FUND</b>			
Revenue Gain – (§41.477) p. 3-4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – (§41.477) Expenses or MONG counterdrug operations members p.3-4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON THE MISSOURI NATIONAL GUARD COUNTERDRUG REVOLVING FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>COLLEGES AND UNIVERSITIES</b>			
<u>Cost</u> – (§105.270) For increased leave of absence hours paid to employees for qualified military service. p.9-10	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>	<b><u>\$0</u></b> <b>or Unknown</b>	<b><u>\$0</u></b> <b>or Unknown</b>	<b><u>\$0</u></b> <b>or Unknown</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost</u> – Various (§105.270) For increased leave of absence hours paid to employees for qualified military service. p.9-10	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>			

FISCAL IMPACT – Small Business

This proposal may negatively impact certain small businesses that currently provide services to veterans for a fee.

FISCAL DESCRIPTION

This act modifies provisions relating to military affairs.

**GRANTS FROM THE MISSOURI MILITARY FAMILY RELIEF FUND (SECTION 41.216)**

This act modifies the composition of the panel that recommends to the Adjutant General to make grants or provide other financial assistance or services from the Missouri Military Family Relief Fund. Instead of a sergeant major of the Missouri National Guard, the panel shall include a senior enlisted leader of the Missouri National Guard. This act also provides that the Adjutant General, rather than the panel, shall have the power to establish criteria for the grants. Furthermore, the grants may be made to members of the Missouri National Guard in addition to families of members and other reserve members of the Armed Forces of the United States.

**SUPPORTING MISSOURI SERVICEMEN AND WOMEN ACT - INSURANCE COVERAGE FOR CERTAIN MEMBERS OF THE NATIONAL GUARD (SECTION 41.430)**

This act establishes the Supporting Missouri Servicemen and Women Act. Currently, members of the Missouri National Guard serving under state active duty orders receive the same pay, longevity, and allowances as members of like grade and branch of the Armed Forces of the United States, provided that such members at least receive the daily paygrade rate of an E5 with maximum longevity and dependents. This act additionally provides that members of the Missouri National Guard who are on state active duty orders for more than 30 days shall receive an allowance for any premiums for TRICARE or other government-sponsored insurance programs for coverage of the member during the period of active duty.

**MISSOURI NATIONAL GUARD RIBBONS (SECTION 41.475, 41.598 & 41.599)**

This act establishes a Missouri National Guard Counterdrug Program Ribbon, which the Adjutant General is authorized to present to any member of the Missouri National Guard who has participated in the Counterdrug Program after January 1, 1989. This act also establishes the Missouri National Guard Homeland Response Force Program Ribbon, which the Adjutant General is authorized to present to any member of the Missouri National Guard who has participated in the Homeland Response Force Program after January 1, 2012. This act establishes a Missouri

National Guard Engineer Explosive Ordnance Clearance Agent Ribbon, which the Adjutant General is authorized to present to any member of the Missouri National Guard who has participated in a engineer explosive ordnance clearance agent course after January 1, 2012.

#### FEDERAL ASSET FORFEITURE PROGRAM PARTICIPATION BY THE NATIONAL GUARD (SECTION 41.477)

This act creates the Missouri National Guard Counterdrug Revolving Fund, which shall consist of all monies received by the Missouri National Guard through federal asset forfeiture programs for purposes authorized by such programs.

Participation in federal asset forfeiture programs shall be at the discretion of the Adjutant General. Upon electing to participate, the Missouri National Guard shall comply with the terms of an equitable sharing agreement and certificate of the federal asset forfeiture program.

#### CYBERSECURITY MISSION ACT (SECTIONS 41.1015 TO 41.1018)

This act establishes the Cybersecurity Mission Act, which provides that upon the request of the Director of the Department of Public Safety, the Missouri National Guard may enter into agreements for aid related to cybersecurity, cyber-attack prevention, cyber-attack response, and cyber-attack support activities for this state and for political subdivisions, governing bodies, public colleges and universities, law enforcement agencies, utility companies, and critical infrastructure facilities of this state. The Adjutant General may activate members on state order to carry out such activities. The Missouri National Guard Cyber-Security Revolving Fund is created and shall consist of monies appropriated by the General Assembly and monies received as a charge and monies received as reimbursement for expenses incurred by the Missouri National Guard related to rendering aid under this act.

#### MOGIVES - LIVING DONOR MEDICAL ORDERS FOR NATIONAL GUARD MEMBERS (SECTION 41.1030)

This act establishes the Missouri Guaranteed Inclusive Voluntary Exceptional Service (MO GIVES) Program under the Department of the National Guard (Department). The MO GIVES Program allows members of the Missouri National Guard who choose to become living organ donors to receive living donor medical orders for purposes of remaining on paid status during the living donation period. The Department shall approve a member's participation if sufficient funds are available and the member:

- (1) Is under Troop Program Unit status or Individual Ready Reserve status;
- (2) Is in good standing with the Department;
- (3) Either is not eligible for living donor paid leave from the member's employer or elects not to use any such employer-based benefit available to the member;
- (4) Specifies the type of donation; and
- (5) Agrees to undergo the procurement operation at a health care facility approved as a provider of continuing education points for transplant certification by the American Board for Transplant Certification.

Upon approval of a member's application, the Department shall issue a living donor medical order, which shall:

- (1) Guarantee paid leave for the member for the living donation period, which shall not exceed 45 days unless an extension of time is deemed medically necessary by the primary surgical and medical recovery team;
  - (2) Exempt the member from any requirement to use accrued annual or medical leave for the guaranteed paid living donation period; and
  - (3) Provide a per diem allowance and a basic allowance for housing during the guaranteed paid living donation period based on the member's rank, region, and dependent status.
- This act also establishes the MO GIVES Fund, which consists of moneys used to fund the benefits provided under the MO GIVES Program.

#### COMPENSATION FOR VETERANS BENEFITS MATTERS (SECTION 42.028)

This act provides that no person shall receive compensation for referring an individual to another person to advise or assist the individual with any veterans benefits matter, which is described in the act. Additionally, no person shall receive compensation for any services rendered in connection with any claim filed within the one-year presumptive period of active-duty release. A person seeking to receive compensation for advising, assisting, or consulting with any veterans benefits matter shall state the specific terms in a written agreement signed by both parties. Such compensation shall be purely contingent upon an increase in benefits and shall not exceed five times the amount of the monthly increase in benefits. Any initial or non-refundable fees or charges are prohibited by this act. Additionally, persons seeking to receive such compensation shall not utilize a medical professional with whom they have an employment or business relationship for a secondary medical exam.

This act further provides that no person shall guarantee a successful outcome or that any individual is certain to receive specific benefits or a specific level, percentage, or amount of benefits. Additionally, no person shall provide such services without including a written and oral disclosure, which is specified in the act. Such disclosure shall be retained for at least one year after the service relationship terminates.

Persons engaging in the initial claim preparation shall not utilize international call or data centers for processing veterans' personal information nor gain direct access to any personal medical, financial, or governmental benefits log-in, username, or password information.

A violation of this act shall constitute an unlawful practice under the Missouri Merchandising Practices Act.

#### RECOGNITION MEDALS (SECTIONS 42.300 TO 42.316)

The Missouri Veterans' Commission may use the Veterans Commission Capital Improvement Trust Fund for payment of expenses associated with providing medals, medallions, and certificates in recognition of service in the Armed Forces of the United States for any conflict, war, operation, and similar incident identified in law, rather than during World War II, the Korean Conflict, and the Vietnam War.

Furthermore, this act provides that spouses or eldest living survivors of a deceased veteran, who was entitled to but died prior to applying, may apply for, on behalf of the deceased veteran, the following medallions, medals, and certificates:

- Operation Iraqi Freedom and Operation New Dawn;
- Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program; and
- Operation Desert Shield and Operation Desert Storm.

The Missouri Veterans' Commission shall design the form for such medallions, medals, and certificates. The Adjutant General shall determine as expeditiously as possible those persons who are entitled to such medallions, medals, and certificates and shall notify the General Assembly when such supply totals less than 100.

#### STATE-SPONSORED LIFE INSURANCE PROGRAM (SECTION 105.265)

This act provides that the Adjutant General shall be the official sponsor of the state-sponsored life insurance program, which is the life insurance program exclusively offered to all members of the Missouri National Guard through the Missouri National Guard Association in accordance with federal law. The Missouri National Guard Association shall select the insurer used to provide the program. Furthermore, the Adjutant General shall:

- (1) Allow, facilitate, and coordinate all efforts to make the program available to all Missouri National Guard members;
- (2) Provide an opportunity for Missouri National Guard members to purchase products of the program;
- (3) Allow, facilitate, and coordinate requested allotments with the appropriate United States Property and Fiscal Office;
- (4) Allow program representatives to provide Missouri National Guard members with program briefings during annual training and inactive duty training periods; and
- (5) Allow Missouri National Guard members to designate or change beneficiaries under the program.

#### LEAVE FROM EMPLOYMENT FOR MILITARY SERVICE (SECTION 105.270)

This act expands, from 120 to 160, the maximum number of hours in leave of absence per federal fiscal year that certain public employees are entitled to take to perform specified military duties without loss of time, pay, regular leave, impairment of efficiency rating, or of any other rights or benefits to which the employees are otherwise entitled.

#### INCOME TAX DEDUCTION FOR VETERAN SURVIVOR BENEFITS (SECTION 143.121)

Current law authorizes an income tax deduction for retirement benefits received by a taxpayer as a result of service in the Armed Forces of the United States. This act also allows for the deduction of any survivor benefits derived from such service.

#### REPEAL OF THE MILITARY COUNSEL (REPEAL OF SECTION 41.220)

Finally, this act repeals the Military Council, which duties included acting in an advisory capacity on matters provided by the Governor and the Adjutant General and making recommendations of appropriations for the needs of the militia and expending such appropriations.

SOURCES OF INFORMATION

Attorney General's Office  
Office of Administration - Budget and Planning  
Department of Commerce and Insurance  
Department of Corrections  
Department of Health and Senior Services  
Department of Public Safety  
    - Office of the Director  
    - Missouri Veterans Commission  
Department of Revenue  
Joint Committee on Administrative Rules  
Missouri National Guard  
Missouri Office of Prosecution Services  
Office of Administration  
Office of the Secretary of State  
Office of the State Public Defender  
Office of the State Courts Administrator  
Office of the State Treasurer



Julie Morff  
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February 12, 2026



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