

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6562S.01I
 Bill No.: SB 1562
 Subject: Emergencies; Mental Health; Taxation and Revenue - General;
 Telecommunications
 Type: Original
 Date: March 10, 2026

Bill Summary: This proposal authorizes a telecommunications surcharge for crisis services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(\$24,841 to Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue	(\$24,841 to Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Oversight does not anticipate the unknown cost (subject to appropriation) to exceed \$250,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
988 Crisis Continuum Fund*	Could exceed \$6,205,036	Could exceed \$8,273,382	Could exceed \$8,273,382
Total Estimated Net Effect on <u>Other</u> State Funds	Could exceed \$6,205,036	Could exceed \$8,273,382	Could exceed \$8,273,382

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§630.230 - Telecommunications Surcharge for Crisis Services

Officials from the **Department of Revenue (DOR)** state this proposal would become effective August 28, 2026, and require that any new cellphone purchased have a new \$0.65 surcharge added to it to help fund crisis services. All retailers would be required to collect the surcharge from the customer and remit the surcharge to DOR.

This proposal creates the 988 Crisis Continuum Fund which shall receive the surcharge revenue. The Department of Mental Health can use the funding to support the 988 - emergency service.

This proposal would be in addition to the funding that is assessed on cellphones for the payment of the emergency 911 system. DOR notes that the 911 system assesses a surcharge of \$1 on the purchase price of a cellphone. DOR notes that they received the following amounts from that surcharge.

<u>Fiscal Year</u>	<u>Collected \$1 Surcharge</u>
2025	\$12,728,280
2024	\$12,508,306
2023	\$10,456,851

Using the FY 2025 surcharge collected this would result in \$8,273,382 being collected from the new \$0.65 surcharge. Given this proposal would begin August 28, 2026, and DOR has all sales tax and surcharges remitted one month behind collection, DOR expects only 9 months of collection in FY 2027.

<u>Fiscal Year</u>	<u>Surcharge</u>
2027	\$6,205,036
2028+	\$8,273,382

DOR would need to update their form (\$2,200) and DOR 3 tax processing, distribution and reporting programs (\$7,547 each for a total of \$22,641).

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DOR.

Officials from the **Department of Mental Health (DMH)** state the proposed legislation would establish a monthly 988 surcharge of \$0.65. Revenue would be deposited into the “988 Crisis Continuum Fund” and be utilized by DMH for the operation of crisis services and open access services.

The US Census population estimate for Missourians age 12+ is 5,360,179. According to the Pew Research Center, 98 percent of adults age 18+ have a cell phone. Based off this data, DMH would estimate the surcharge could be applied to 5,252,975 (5,360,179 * 98%) cell phone bills on a monthly basis. Given this, the amount of revenue generated annually would be approximately \$40,973,205 if a \$0.65 surcharge was implemented.

Oversight notes the different estimates provided by DOR and DMH. Because DOR estimates are based on data specifically tied to current tax and surcharge collections, Oversight will reflect the collection estimates as provided by the DOR.

Oversight further notes this proposed legislation creates "988 Crisis Continuum Fund " in the state treasury. The fund shall consist of moneys appropriated by the general assembly and any gifts, contributions, grants, or other donations from any public or private source. The fund shall be a dedicated fund and, upon appropriation, moneys in this fund shall be used by the DMH for the operation of crisis services and open access services. For simplicity, Oversight will reflect the revenue gain to the newly created fund.

Officials from the **Office of the State Treasurer** and **State Tax Commission** assume the proposal will have no fiscal impact on their 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (9 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost</u> – DOR (§630.230) Form changes p.3	(\$2,200)	\$0	\$0
<u>Cost</u> – DOR (§630.230) Computer updates p.3	(\$22,641)	\$0	\$0
<u>Transfer Out</u> (§630.230) To the 988 Crisis Continuum Fund p.4	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVNUUE	(\$24,841 to <u>Unknown</u>)	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
988 CRISIS CONTINUUM FUND			
<u>Revenue Gain</u> (§630.230) Appropriations, gifts, contributions, grants or donations p.4	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Revenue Gain</u> (§630.230) Cellphone 988 surcharge p.3	\$6,205,036	\$8,273,382	\$8,273,382
<u>Transfer In</u> (§630.230) from General Revenue p.4	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON 988 CRISIS CONTINUUM FUND	Could exceed <u>\$6,205,036</u>	Could exceed <u>\$8,273,382</u>	Could exceed <u>\$8,273,382</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (9 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act requires dealers of mobile telecommunications services to collect a charge of \$0.65 for each retail transaction involving wireless telecommunication devices or services for the purpose of the Department of Mental Health's operating of crisis and open access services, as such terms are defined in the act. All such charges shall be imposed and remitted with the dealers sales tax remittance to the Department of Revenue.

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 Mental Health
Department of Revenue
Joint Committee on Administrative Rules
Office of the Secretary of State
Office of the State Treasurer
State Tax Commission



Julie Morff
Director
March 10, 2026



Jessica Harris
Assistant Director
March 10, 2026