

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5434S.02C
 Bill No.: SCS for SB Nos. 977 & 1011
 Subject: Administrative Law; Civil Procedure; Contracts and Contractors; Courts; Religion
 Type: Original
 Date: March 27, 2026

Bill Summary: This proposal establishes the "No Shari'a Law" which prohibits the application and enforceability of foreign law, legal codes, and systems.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

| FUND AFFECTED | FY 2027 | FY 2028 | FY 2029 |
|--|-------------------------|-------------------------|-------------------------|
| General Revenue* | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| Total Estimated Net Effect on General Revenue | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |

*OSCA potential unknown increase in court costs less than \$250,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

| FUND AFFECTED | FY 2027 | FY 2028 | FY 2029 |
|---|------------|------------|------------|
| 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 2027 | FY 2028 | FY 2029 |
|---|------------------------------|------------------------------|------------------------------|
| Federal* | \$0 to (\$49,833,333) | \$0 to (\$59,800,000) | \$0 to (\$59,800,000) |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 to (\$49,833,333) | \$0 to (\$59,800,000) | \$0 to (\$59,800,000) |

*Potential loss of IV-D funding by DSS for non-compliance with Hague Convention rules.

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

§1.037 – Sovereign Authority of the State of Missouri

Officials from the **Department of Social Services (DSS)** state the proposed new section 1.037 provides that the World Health Organization, the United Nations, the World Economic Forum, and any other international organization or body shall have no jurisdiction or power within Missouri. No rule, regulation, fee, tax, policy or mandate of the World Health Organization, the United Nations, the World Economic Forum, or any other international organization or body shall be enforced or implemented by the state of Missouri or any agency, department, board, or commission of the state of any municipality or other political subdivision of the state.

The Hague Conference on Private International Law (HCCH) is the international intergovernmental organization that developed and implemented the 2007 Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance (Convention) for consistency and standard procedures in international child support case processing. The United States joined the Convention developed by HCCH in 2017 and mandated that all states enact the 2008 version of the Uniform Interstate Family Support Act (UIFSA) which contains the Convention provisions as a condition of federal funding.

The HCCH issues ongoing policies, protocols and notifications to central authorities in Convention member countries, including the United States, related to the Convention provisions. If the HCCH is considered to be an “international organization or body” under the provisions of §1.037, it appears the Family Support Division (FSD) child support (CS) program could not enforce or implement any policy or mandate issued by the HCCH in regard to the Convention.

Section 459A of the Social Security Act grants authority for the United States to designate foreign treaty countries for reciprocal arrangements for the establishment and enforcement of child support orders. In Section 459A, the term “foreign treaty country” means a foreign country for which the 2007 Family Maintenance Convention is in effect. 45 CFR 302.36 requires that the Title IV-D state plan provide that the State will extend the full range of services under its IV-D plan to any country defined in 45 CFR 301.1. 45 CFR 301.1 defines “Country” as a foreign country (or political subdivision of) declared to be an FRC under section 459A of the Act and any foreign country (or political subdivision of) with which the State has entered a reciprocal arrangement for the establishment and enforcement of support obligations consistent with federal law pursuant to section 459(A) of the Act.

If proposed §1.037 is interpreted to not allow the FSD CS program to enforce or implement Convention provisions as issued by the HCCH, Missouri could have IV–D state compliance implications. Title IV-D state plan noncompliance will result in the loss of federal funding for the state’s child support program (\$59.8 million for FFY 2025). Having an approved Title IV–D state plan is a condition of eligibility for a Temporary Assistance for Needy Families (TANF)

block grant under Title IV–A of the Social Security Act. If the Federal government determines Missouri’s IV–D state plan is noncompliant, Missouri’s TANF funding (\$216.3 million) could potentially be reduced. FSD is unsure how much the reduction in funding would amount to; therefore, this amount is not included in the overall fiscal impact of this legislation. In order to continue the CS program services at its current level, any loss of federal funding would have to be replaced with general revenue. Therefore, the fiscal impact of non–compliance would range from \$0 to \$59.8 million in general revenue.

The fiscal impact to the FSD CS program under proposed §1.037 is \$0 to \$59.8 million.

§§506.602 and 508.074 – No Shari’a Law

Officials from the **Office of the State Courts Administrator (OSCA)** state this proposal may have some impact but there is no way to quantify that amount 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 or (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.

In response to a previous version, officials from the **Office of Attorney General (AGO)** assumed 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.

Bill as a whole

Officials from the **Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety – Director’s Office and Missouri Highway Patrol, Office of the Governor, Missouri Department of Conservation, Missouri Department of Transportation, Office of Administration, Office of the Secretary of State, University of Missouri System, City of Kansas City, Phelps County Sheriff, Kansas City Police Department, St. Louis County Police Department, Metropolitan St. Louis Sewer District, South River Drainage District, Wayn Count Public Water Supply District #2, Northwest Missouri State University** and the **University of Central Missouri** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, various county officials, nursing homes, local law enforcement agencies, fire protection districts, ambulance and EMS, schools and charter schools, utilities, hospitals, colleges and universities and electric companies and coops 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.

| <u>FISCAL IMPACT – State Government</u> | FY 2027 (10 Mo.) | FY 2028 | FY 2029 |
|---|---|---|---|
| GENERAL REVENUE | | | |
| <u>Cost – OSCA (§§506.602 and 508.074)</u> Potential increase in court costs p.3 | \$0 or <u>(Unknown)</u> | \$0 or <u>(Unknown)</u> | \$0 or <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | \$0 or <u>(Unknown)</u> | \$0 or <u>(Unknown)</u> | \$0 or <u>(Unknown)</u> |
| FEDERAL FUNDS | | | |
| <u>Loss – DSS (§1.037) Potential reduction in funds due to non-compliance with Title IV-D/ Hague Convention p.4-5</u> | \$0 to <u>(\$49,833,333)</u> | \$0 to <u>(\$59,800,000)</u> | \$0 to <u>(\$59,800,000)</u> |
| ESTIMATED NET EFFECT ON FEDERAL FUNDS | \$0 to <u>(\$49,833,333)</u> | \$0 to <u>(\$59,800,000)</u> | \$0 to <u>(\$59,800,000)</u> |

| <u>FISCAL IMPACT – Local Government</u> | FY 2027 (10 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 provides that certain international organizations or bodies, such as the World Health Organization, the United Nations, and the World Economic Forum, shall have no jurisdiction or power within the state of Missouri. No rule, regulation, policy, or mandate of any kind from such organizations shall be enforced or implemented by any state or local public body.

This act establishes the "No Shari'a Act" which prohibits the application and enforceability of Shari'a law or any foreign law that denies the parties the fundamental liberties, rights, and privileges guaranteed under the Constitution of the United States or the Constitution of Missouri. Additionally, the act provides that no court shall enforce or apply:

- (1) A judgment, decree, or arbitration decision if it relies on Shari'a or any foreign law that violates the fundamental rights of any party;
- (2) A contract or contractual provision choosing Shari'a or foreign law which would result in a violation of fundamental rights; or
- (3) In certain family law matters, Shari'a or foreign law if inconsistent with fundamental rights or public policy.

This act shall not be construed to disapprove or abrogate existing precedent of the Supreme Court of Missouri, to limit adjudication of ecclesiastical matters of a religious organization, to apply to those corporations, partnerships, or associations that voluntarily subject themselves to foreign law or foreign courts and apply where federal law preempts state law.

Additionally, this act provides that no state court, arbitration panel, tribunal, or administrative agency shall transfer any civil action if the transfer would result in the application of Shari'a or foreign law prohibited by this act.


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
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety –
 Director's Office
 Missouri Highway Patrol
Department of Social Services
Office of the Governor
Missouri Department of Conservation
Missouri Department of Transportation

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Office of Administration
Office of the State Courts Administrator
Office of the Secretary of State
University of Missouri System
City of Kansas City



Julie Morff
Director
March 27, 2026



Jessica Harris
Assistant Director
March 27, 2026