

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6122H.02C
 Bill No.: HCS for SB 1470
 Subject: General Assembly; Boards, Commissions, Committees, and Councils
 Type: Original
 Date: May 1, 2026

Bill Summary: This proposal modifies duties and functions of the Joint Committee on Legislative Research.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	\$0 or Could exceed (\$381,685)	\$0 or Could exceed (\$434,950)	\$0 or Could exceed (\$442,016)
Total Estimated Net Effect on General Revenue	\$0 or Could exceed (\$381,685)	\$0 or Could exceed (\$434,950)	\$0 or Could exceed (\$442,016)

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
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
General Revenue	0 Up to 5 FTE	0 Up to 5 FTE	0 Up to 5 FTE
Total Estimated Net Effect on FTE	0 Up to 5 FTE	0 Up to 5 FTE	0 Up to 5 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 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§2.040, 2.050, 2.060, 3.010, 3.110, 3.125, 3.140, 3.142, 23.010, 23.020, 23.040, 23.050, 23.060, 23.070, 23.080, 23.090, 23.140, 23.150, 23.195, and 32.057 – Functions of the Joint Committee on Legislative Research

Officials from the **Legislative Research-Office of the Revisor** state for changes to section 3.142, the amount eligible to remain in the statutory revision fund after a sweep would increase from double the cost of publishing a supplement, \$400,000, to double the cost of a general republication of statutes, \$600,000. It is estimated that the timeline for the fund to reach that \$600,000 cap would be beyond the next five years.

The current cost of publishing a supplement is approximately \$200,000, leaving \$400,000 in the statutory revision fund after a potential sweep. As of 12/31/25, the statutory revision fund has a balance of \$365,099.33, a difference of \$34,900.67 until funds would be eligible to be swept.

For fiscal year '24-'25, the statutory revision fund had a net gain of \$8,384.36.

The Office of the Revisor assumes that the current approximate net income from the sale of statutory supplements will remain at \$8,300 annually. It is also presumed that double the cost of publishing a statutory supplement will remain at approximately \$400,000. With those assumptions, it will take a little more than 4 years for this legislation to result in a positive increase of approximately \$8,300 per year to the statutory revision fund.

In the case that any extraordinary expenses must be paid from the statutory revision fund, it could take much longer for this legislation to result in any increase. The only presumed increase beyond that would be in the event of a general republication of the Missouri Statutes, but the increase in that case is currently unknown.

Oversight notes that currently §2.050 states printed copies of laws, resolutions, constitutional amendments and measures are made available at no cost to members of the General Assembly, certain judicial entities, and certain law enforcement entities. This act repeals this provision and provides that such copies shall be available for sale by the Joint Committee.

Oversight notes §3.130 was revised in 2010 and states “The revisor of statutes shall distribute the copies, in either version or combination, at the price determined by the committee under section 3.140.” Therefore, Oversight assumes this provision is clean up language to match current practices and will not reflect an impact in the fiscal note.

Oversight notes when the Committee sells copies of the revised statutes, §3.140 provides that the money received shall be deposited in the Statutory Revision Fund, rather than the General Revenue Fund. Oversight notes that §3.142 established the Statutory Revision Fund and in which

shall receive funds paid to the revisor of statutes for sales of the revised statutes of Missouri or any supplement thereto, whether in printed, electronic, magnetic, or other form and funds received for any other service for which there is a fee charged by the committee on legislative research. Therefore, Oversight assumes this provision is clean up language to match current practices and will not reflect an impact in the fiscal note.

Oversight notes if there is no appropriation for the printing of supplements, then the cost shall be paid by the Statutory Revision Fund (1546). The below reflects the fiscal year end balance of the fund for the past five years according to the Office of the State Treasurer:

Fiscal Year	Balance
2025	\$359,767.64
2024	\$352,262.00
2023	\$361,740.10
2022	\$350,798.28
2021	\$351,588.98

Oversight notes §3.142.2 states any unexpended balance in the fund at the end of any biennium not to exceed twice the cost of providing the general republication of the revised statutes of Missouri is exempt from the provisions of section 33.080 relating to transfer of unexpended balances to the ordinary revenue fund. Oversight notes this allows the Statutory Revision Fund to maintain a higher balance prior to the biennium sweep to general revenue fund. Oversight does not anticipate a fiscal impact from this provision.

Officials from the **Legislative Research-Office of the Revisor** state changes to section 23.010 reduces the number of members of the Joint Committee on Legislative Research from 20 to 12 would presumably cut the amount of expenses paid for members to sixty percent of the current expenditures. Over the last five years the expenses for committee members have totaled \$3,662.07, an average of \$732.41 per year. This change is estimated to save \$292.96 per year, saving \$1,464.80 over the next five years.

Oversight assumes the above savings from the reduction in the number of members of the Joint Committee on Legislative Research is negligible and will not reflect this amount in the fiscal note.

Officials from the **Office of the State Auditor (SAO)** assume depending on the level of assistance requested, the fiscal impact to the SAO could range from no impact to the need to hire an additional 4 government analysts to meet the demand of both the regular fiscal notes during the legislative session as well as the newly created post-implementation fiscal notes.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero up to 4 FTE as estimated by SAO in the fiscal note.

Officials from the **Department of Revenue (DOR)** state the following:

Section 32.057 - Oversight Division Access to DOR Records

This proposal would grant the Oversight Division staff access to all DOR records, including tax returns, so they can do the estimates for fiscal notes rather than DOR needing to complete them. The requirement of this proposal to make available all reports or returns to Oversight staff would allow access beyond any other organization's access to DOR records. DOR notes that should Oversight have full access to DOR records, they would no longer need DOR to complete fiscal notes as they would do the calculations themselves. This is estimated to save DOR staff time that is dedicated to completing the fiscal notes, and which can be refocused on tax collection efforts.

Access to DOR's tax records is governed by federal IRS statutes, specifically Publication 1075, Tax Information Security Guidelines. While this proposal states that only the Director and the Director's chosen staff have to have access to DOR records, the IRS requires all staff to clear their protocols for any one person to gain access due to the heightened security measures that must be implemented. Therefore, the entire Oversight Division staff would be required to undergo the same federal background checks and training required by all DOR employees. This would require all Oversight Division employees to pass a fingerprinting background check every 5 years as well as complete annual IRS confidentiality training annually. Security measures such as locked offices with badge entry, computer confidentiality warnings and computer programming security measures would need to be installed at the Oversight Division to ensure the data is secured. DOR assumes the Oversight Division would be responsible for any costs associated with the background checks and security upgrades. Once security measures are in place, DOR would provide the necessary training to the staff that would grant them access to our systems. DOR is concerned without the proper knowledge of agency return processing procedures and the ability to understand the applicable tax systems, data accessed or retrieved for fiscal note purposes might not be accurate. Training of staff may take months to ensure proper knowledge of the numerous tax & MVDL systems.

When a Missouri tax return is filed with DOR it often has a federal return attached to it. The IRS laws govern who can have access to that return, when that access is proper, what can be done with the data on it and how the data can be used. DOR notes that the IRS would ultimately determine if access would be allowed by the Oversight Division.

Should the IRS determine that access can be granted to Oversight staff, they would be subject to the same rules and punishment for release of federal tax information (FTI) as DOR staff. The Oversight Director will be required to establish procedures approved by the IRS, to ensure no illegal inspection of records occurs and that release of data considered confidential does not occur. The Director would be required to report any illegal behavior of staff to the IRS so they could appropriately charge the guilty party. Release of FTI data can result in a felony punishable with a fine of \$5,000 and up to 5 years in prison. Additionally, per IRS rules their staff and records would be subject to IRS audit every 3 years and an internal inspection by DOR every 18 months.

Should the IRS determine that access cannot be allowed to the federal tax data, they could prohibit MO from collecting the federal return with our state return. Without the collection of the federal data, Oversight Division staff, per this proposal, would have access to just the MO state tax data. If the IRS does not allow MO to collect the federal return data, DOR would also be prohibited from receiving debt offset funds and collection information used by DOR staff to collect MO revenue.

In FY25, DOR received \$5.9 million from the federal offset program, \$8.4 million from the federal discrepancy (under reporting) program and \$79 million from the non-filer collection program . Not having access to such federal data in the future could hamper DOR's ability to collect from these federal collection programs MO tax revenue due. The total amount of future loss cannot be determined at this time.

Due to the time constraints of the fiscal note being due, DOR has reached out to the IRS to receive a ruling from the IRS as to whether the Oversight Division meets their requirements to have access. No reply has been received at this time.

This proposal would also allow the Oversight Division staff to access our Motor Vehicle and Driver License records. These records are also governed by federal agencies and the Driver Privacy Protection Act. These laws carry penalty provisions should individual's information be viewed or distributed inappropriately. Oversight would need to maintain procedures to ensure the data is not illegally handled.

Language being added in Section 23.140 would allow the Director of Oversight to request help from the State Auditor to do fiscal notes. However, DOR notes that the language of Section 32.057 granting Oversight Division staff access to DOR records would not also apply to the State Auditor staff helping the Oversight Division. The Oversight Division would need to establish security measures to ensure no illegal access to the data.

Officials from the **Oversight Division** assume section 32.057 authorizes the Director of Revenue to disclose certain confidential information to the director of Oversight of the Committee, or the director's designee. The Oversight Director, or a designee, shall have the right to inspect any report or return filed with the Department of Revenue if it is related to preparation of a fiscal note. Based on information provided by Department of Revenue and Publication 1075 Tax Information Security Guidelines for Federal, State and Local Agencies, Oversight assumes there could be a cost associated with accessing Federal Tax Information (FTI) including the following:

Personnel

- All staff accessing FTI must pass a background investigation before being granted access
- Background check includes fingerprinting, citizenship verification, and local law enforcement checks
- Access must be limited only to staff with a need to know

Training

- All employees with FTI access must complete disclosure awareness training
- Training must cover confidentiality requirements, agency security rules, and sanctions for unauthorized disclosure
- Training must be completed and documented annually

Physical workstation area

- Monitors and output devices used to access FTI must be in a secure/restricted area with need-to-know access (may require construction improvements or the purchase of security containers)
- Unauthorized staff (including custodial and security personnel) must not be able to view FTI on screen or have unsupervised access to the restricted area

Oversight will show a range of impact of \$0 to an unknown cost for security upgrades and training, pending DOR/IRS approval.

Additionally, Section 23.140 requires Oversight staff to prepare a post-implementation fiscal note on legislation that has been enacted and fully implemented for two years. Oversight assumes this would be done during the interim. Typically, Oversight prepares sunset reports, program evaluations (if requested), the bond indebtedness report, as well as agency and staff training during this time. The number of required sunset reports vary by year. Oversight anticipates conducting 4 sunset reports during FY 2027 interim and 12 sunset reports during the FY 2028 interim.

Oversight assumes it could potentially absorb the cost of the post-implementation fiscal notes if the number of sunset reports and program evaluation requests are minimal. However, Oversight assumes it may be necessary to hire additional staff depending on the scope of the post-implementation fiscal notes in addition to the other duties required of Oversight. Oversight will show the potential cost for zero or one additional FTE beginning in FY 2028.

Officials from the **Office of Administration, Office of the State Treasurer, Missouri House of Representatives, and Missouri Senate** 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 for this agency.

Rule Promulgation

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
GENERAL REVENUE			
<u>Cost – Oversight (§32.057) Security upgrades and training p.7</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost – Oversight (§23.140) p.7</u>	0 or	0 or	0 or
Personnel Service	(\$45,833)	(\$56,100)	(\$57,222)
Fringe Benefits	(\$32,047)	(\$38,899)	(\$39,351)
Expense & Equipment	(\$5,000)	(\$0)	(\$0)
<u>Total Costs – Oversight</u>	<u>(\$82,880)</u>	<u>(\$94,999)</u>	<u>(\$96,573)</u>
FTE Change – Oversight	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
<u>Cost – SAO (§23.140) p.4</u>	\$0 Up to	\$0 Up to	\$0 Up to
Personnel Service	(\$160,000)	(\$195,840)	(\$199,757)
Fringe Benefits	(\$118,805)	(\$144,111)	(\$145,686)
Expense & Equipment	(\$20,000)	(\$0)	(\$0)
<u>Total Costs – SAO</u>	<u>(\$298,805)</u>	<u>(\$339,951)</u>	<u>(\$345,443)</u>
FTE Change – SAO	0 Up to 4 FTE	0 Up to 4 FTE	0 Up to 4 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or Could exceed <u>(\$381,685)</u>	\$0 or Could exceed <u>(\$434,950)</u>	\$0 or Could exceed <u>(\$442,016)</u>
Estimated Net FTE Change to the General Revenue Fund	0 Up to 5 FTE	0 Up to 5 FTE	0 Up to 5 FTE

<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 modifies the duties and functions of the Joint Committee on Legislative Research. The Committee is required to provide copies of all laws in a web-based electronic format, in addition to the current paper copies that must be made available. Currently, printed copies of laws, resolutions, constitutional amendments and measures are made available at no cost to members of the General Assembly, certain judicial entities, and certain law enforcement entities. This act repeals this provision and provides that such copies shall be available for sale by the Joint Committee. When the Committee sells copies of the revised statutes, this act provides that the money received shall be deposited in the Statutory Revision Fund, rather than the General Revenue Fund.

Currently, the revised statutes of Missouri are printed only upon the adoption of a concurrent resolution by the General Assembly. This act repeals the requirement of adopting a concurrent resolution. Instead, if an appropriation is made for the republication of the revised statutes, the General Assembly must adopt a concurrent resolution for such republication. If there is no appropriation for the printing of supplements, then the cost shall be paid by the Statutory Revision Fund. The printing and publication of the revised statutes may, rather than shall, be obtained through the state director of the Division of Purchasing. This act provides that the moneys in the Statutory Revision Fund shall be used for costs associated with the general republication of the revised statutes and its annual supplements if no specific appropriation is provided by the General Assembly.

Upon request, rather than written request, of the Committee, the Committee shall draft revision bills and any resolutions or amendments directly related to any revision bill or the duties and functions of the Committee.

Finally, the Committee shall have thirty, rather than ten, days after the convening of a general assembly to elect a chairperson and vice chairperson. The Committee shall regularly meet at least twice a year, instead of at least every three months.

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 Revenue
Office of Administration
Office of the Secretary of State
Office of the State Treasurer
Missouri House of Representatives
Legislative Research
Oversight Division
Missouri Senate



Julie Morff
Director
May 1, 2026



Jessica Harris
Assistant Director
May 1, 2026