

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5819-01
Bill No.: HB 2263
Subject: Office of Administration
Type: Original
Date: February 23, 2018

Bill Summary: This proposal modifies provisions for competitive bidding.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (OA)** and the **Department of Revenue** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight assumes by raising the competitive bidding amount requirements and authorizing the Commissioner of Administration to hold a reverse auction for materials, there could be a savings to the General Revenue Fund in advertising for bids and/or cost of materials. However, Oversight is unclear on the amount of savings. Therefore, Oversight will reflect a positive unknown to the General Revenue Fund this proposal.

Officials from the **Department of Natural Resources** defer to the Office of Administration to estimate the fiscal impact of the proposed legislation on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Savings</u> - OA - Raising the competitive bidding amount and reverse auctions	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill changes the exception limit to the competitive bidding rules under Section 34.040, RSMo, from purchases equal to or less than \$3000 to a new \$10,000 limit. It also increases the expenditure limit for purchases that require special notice, advertising, and solicitation requirements by the Commissioner of Administration from projects estimated at \$25,000 or more to those projects estimated at \$100,000 or more.

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

Office of Administration
Department of Revenue
Department of Natural Resources

Ross Strope



Acting Director
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