

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0843-01
Bill No.: HB 265
Subject: Economic Development; Business and Commerce; Office of Administration
Type: Original
Date: January 22, 2019

Bill Summary: This proposal requires all non-food items sold in the Missouri State Capitol building to be made in the United States.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| 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 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| 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 2020 | FY 2021 | FY 2022 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** assume the proposed legislation requires any non-food item sold in the Missouri state capitol building to be made in the United States.

The Missouri State Museum, located in the Missouri State Capitol, maintains a small retail space to sell souvenirs to visitors to the Museum and Capitol. The museum is a facility of the Division of State Parks, Missouri Department of Natural Resources, and profits from retail sales used to support Missouri state parks and historic sites. DNR assumes this proposal could affect the number and types of items offered for sale, the costs of those items, and revenue generated.

The Missouri State Museum sells several items printed or produced in Missouri or the United States. However, the majority of items, approximately 65%, are imported goods purchased through US distributors. These goods also make up the bulk of the souvenir sales receipts. Removing imported items from the inventory could mean a loss of approximately \$15,000-\$18,000 net sales per year if those items are not able to be suitably replaced with items printed or produced in Missouri or the United States. The cost of replacing those items or the revenue impacts from potential sales of replacement items is unknown.

Oversight assumes DNR will be able to replace their inventory with items that are made in the United States for a similar price and therefore, will not reflect a material net loss of net sales proceeds to the State Parks Earnings Fund.

Officials from the **Office of Administration** assume the current proposal would not fiscally impact their agency.

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|---------------------|------------|------------|
| | <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

The proposed legislation appears to have no direct fiscal impact.

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 Natural Resources

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yle Rieman
Director
January 22, 2019

Ross Strobe
Assistant Director
January 22, 2019