

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0734H.02C
Bill No.: HCS for HB 95
Subject: Merchandising Practices
Type: Original
Date: April 15, 2021

Bill Summary: This proposal requires all non-food items sold in the state Capitol to be made in the U.S.A.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** state the Missouri State Museum sells several items printed or produced in Missouri or the United States. Approximately 36% are imported goods purchased through US distributors. These goods include pins, tie bars, patches, playing cards, ornaments, magnets, window clings, mugs, and similar souvenir items, stuffed animals, most featuring Missouri State Parks or Missouri State Museum branding; stuffed animals, some books, and reference publications.

For fiscal year 2020, approximately 43% of the items sold are made in Missouri. It is the practice of Missouri State Parks to find equivalent items that are Missouri-made and sold by Missouri vendors. Identified Missouri-made items are evaluated for cost, quantity, appearance and other applicable factors.

The average gross souvenir sales at the Missouri State Museum is approximately \$37,088 per year (average of FY2018 and FY2019; the COVID pandemic reduced FY2020 sales to \$12,018). Removing imported items from the inventory could mean an annual loss of approximately \$13,350 in gross sales. This loss could result in lost revenues to support Missouri state parks and historic sites.

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

In response to a previous version, officials from the **Office of Administration** 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 that agency.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

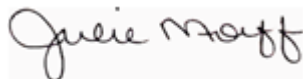
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

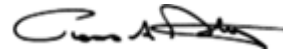
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
Department of Natural Resources



Julie Morff
Director
April 15, 2021



Ross Strobe
Assistant Director
April 15, 2021