

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4099-01
Bill No.: HB 1643
Subject: Merchandising Practices
Type: Original
Date: December 30, 2019

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 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
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. Approximately 32%, are imported goods purchased through US distributors. The average gross souvenir sales at the Missouri State Museum is approximately \$28,079 per year (FY 2018 and FY 2019 average). Removing imported items from the inventory could mean a loss of approximately \$9,000 per year. This loss could result in lost revenues to support Missouri State Parks and Historic Sites.

Oversight assumes DNR will be able to replace their 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.

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

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2021
(10 Mo.)

FY 2022

FY 2023

\$0

\$0

\$0

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
December 30, 2019



Ross Strope
Assistant Director
December 30, 2019