

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2374H.03C
Bill No.: HCS for HB 1212
Subject: General Assembly; Federal - State Relations
Type: Original
Date: March 29, 2021

Bill Summary: This proposal creates the Joint Committee on Federal Government Oversight to review Presidential orders and declare them unconstitutional.

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 Mental Health (DMH)** state the provisions of this bill could create a conflict for the DMH. For example, if the Missouri Attorney General finds a federal executive order to be unconstitutional under the provisions of subsection three, and a federal agency such as Centers for Medicare and Medicaid Services (CMS) directs DMH to enact a policy consistent with that same executive order, DMH may be bound to comply with CMS in order to continue to receive Medicare/Medicaid funding, of which DMH receives up to \$1.5 billion annually. It is especially foreseeable that this situation could arise during a public health emergency. The potential impact for this legislation could be between \$0 and up to \$1.5 billion.

Officials from the **Department of Public Safety - Missouri National Guard** believe this would not have a fiscal impact, but could be in direct conflict with federal/state law since the Adjutant General must follow direction of the President of the United States and Governor. As stated in RSMo 41.120: Governor, commander in chief of militia. — The governor of the state, by virtue of his office, is the commander in chief of the militia of the state, except such portion thereof as may at times be in the service of the United States. And in RSMo 41.160.3 The Adjutant General shall perform all duties required of the Adjutant General by the laws of the United States and of the state, and the regulations issued pursuant to such laws, now or hereafter promulgated, and such duties as pertain to the function of the chief of staff.

Officials from the **Missouri Department of Agriculture** state they anticipate an unknown impact that is contingent on potential future actions of the federal government.

Officials from the **Missouri Senate** anticipate a negative fiscal impact to reimburse 5 Senators for travel to committee meetings for a total of \$561 per meeting.

Oversight assumes administrative costs of the Joint Committee on Federal Government Oversight would not reach a material amount; therefore, Oversight will not reflect a cost to the state for reimbursement of members' expenses.

Officials from the **Department of Natural Resources, the Attorney General's Office, Department of Commerce and Insurance, Department of Health and Senior Services, Department of Labor and Industrial Relations, Office of Administration - Budget and Planning, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Office of Administration, Department of Corrections, the Department of Revenue, the Department of Public Safety - Missouri Highway Patrol, Department of Social Services, Missouri Department of Transportation, and the Missouri House of Representatives** each assume the proposal would not fiscally impact their respective agencies.

In response to a previous version, officials from the **Department of Economic Development, Department of Public Safety (Division of Alcohol and Tobacco Control, Capitol Police, Division of Fire Safety, Director’s Office, Gaming Commission, Veterans Commission, State Emergency Management Agency), Missouri Department of Conservation, Missouri Ethics Commission, MoDOT & Patrol Employees’ Retirement System, Office of the Secretary of State, Office of the State Public Defender, University of Missouri System, Missouri Lottery Commission, Missouri Consolidated Health Care Plan, Missouri Higher Education Loan Authority, Missouri Office of Prosecution Services, Missouri State Employee’s Retirement System, Office of the State Courts Administrator, and the State Tax Commission** each assumed the proposal would not fiscally impact their respective agencies.

In response to a previous version, officials from the **City of Claycomo, City of Corder, City of Kansas City, City of O’Fallon, and the City of St. Louis** each assumed the proposal would not fiscally impact their respective cities.

In response to a previous version, officials from the **City of Ash Grove** stated there would be a fiscal impact, but did not elaborate.

Oversight received a limited number of responses from local political subdivisions related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Oversight assumes the Joint Committee on Federal Government Oversight, in the HCS, will play more of an advisory role, and recommend the Attorney General’s Office (AGO) and the Office of the Governor (GOV) further examine certain federal executive orders. Therefore, Oversight assumes the HCS, as written, would not, by itself, create a fiscal impact to the state or local political subdivisions. Actions (if any) taken by the AGO and GOV may have an impact.

<u>FISCAL IMPACT – 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

This bill establishes the "Joint Committee on Federal Government Oversight". The purpose of the Committee is to review any executive orders issued by the President of the United States and make recommendations to the Attorney General and the Governor whether further examination is needed to determine the constitutionality of the executive orders, or whether the state should seek an exemption from the application of the orders.

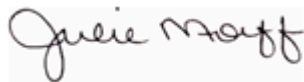
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

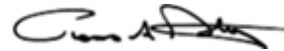
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Labor and Industrial Relations
Department of Commerce and Insurance
Office of Administration - Budget and Planning
Missouri Senate
Attorney General's Office
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Office of Administration
Department of Corrections
Department of Revenue
Department of Public Safety
Department of Social Services
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri Department of Transportation
MoDOT & Patrol Employees' Retirement System
Office of the Secretary of State
Office of the State Public Defender
University of Missouri System
Missouri House of Representatives

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Missouri Lottery Commission
Missouri Consolidated Health Care Plan
Missouri Higher Education Loan Authority
Missouri Office of Prosecution Services
Missouri State Employee's Retirement System
Office of the State Courts Administrator
State Tax Commission
City of Claycomo
City of Corder
City of Kansas City
City of O'Fallon
City of St. Louis
City of Ash Grove



Julie Morff
Director
March 29, 2021



Ross Strobe
Assistant Director
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