

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1494H.01I
Bill No.: HB 752
Subject: Newspapers and Publications; Contracts and Contractors
Type: Original
Date: March 21, 2023

Bill Summary: This proposal repeals provisions requiring the publication of bids for state contracts in newspapers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	Could exceed \$100,000 - \$300,000	Could exceed \$100,000 - \$300,000	Could exceed \$100,000 - \$300,000
Total Estimated Net Effect on General Revenue	Could exceed \$100,000 - \$300,000	Could exceed \$100,000 - \$300,000	Could exceed \$100,000 - \$300,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Other State Funds	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (OA) - Facilities Management, Design and Construction (FMDC)** state this bill would remove that requirement that OA-FMDC advertise its construction projects for bid in the newspaper, and instead allow OA-FMDC to post the information for bid on its website or through other electronic mediums. OA-FMDC estimates there would be a fiscal savings of approximately \$100,000 to \$300,000 associated with removing this requirement. The actual amount of savings would depend upon the number of construction projects to be completed and the location of the work.

Officials from the **Department of Revenue (DOR)** assume this legislation removes the requirement to advertise or provide notices in newspapers for acquiring services and products for real property construction projects (§ 8.250), public works projects (§§ 8.679 and 8.690), competitive bidding (§ 34.040), competitive proposals (§ 34.042), and single feasible source procurements (§ 34.044). The legislation also exempts the Office of Administration from public disclosure at a regular meeting its intents to utilize the construction management-at-risk method, consistent with a similar exemption regarding intent to utilize the design-build method for public work projects.

This legislation will result in an unknown impact to the Department of Revenue since no costs will be incurred to publish advertisements and notices in newspapers related to license office requests for proposals or other attempts to procure services and supplies. The Department anticipates this impact to be minimal.

Officials from the **Missouri Department of Conservation** anticipate an unknown positive fiscal impact of less than \$250,000.

Oversight assumes this proposal modifies the provision that currently require the state and political subdivision to advertise for competitive bids for state contract in print publications. Oversight will reflect a savings of could exceed \$100,000 - \$300,000 to the General Revenue Fund. Oversight will also reflect a potential savings to Other State Funds and to Local Political Subdivisions.

Officials from the **Department of Natural Resources**, the **Missouri Department of Transportation**, the **Missouri National Guard** and the **Office of Administration** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. **The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs.** However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE FUND			
<u>Savings</u> Newspaper Advertising – now can be posted online	<u>Could exceed</u> <u>\$100,000 -</u> <u>\$300,000</u>	<u>Could exceed</u> <u>\$100,000 -</u> <u>\$300,000</u>	<u>Could exceed</u> <u>\$100,000 -</u> <u>\$300,000</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>Could exceed</u> <u>\$100,000 -</u> <u>\$300,000</u>	<u>Could exceed</u> <u>\$100,000 -</u> <u>\$300,000</u>	<u>Could exceed</u> <u>\$100,000 -</u> <u>\$300,000</u>
OTHER STATE FUNDS			
<u>Savings</u> Newspaper Advertising– now can be posted online	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> Newspaper Advertising– now can be posted online	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT – Small Business

Small newspaper businesses could be impacted by this proposal.

FISCAL DESCRIPTION

Currently, the state and its agencies and political subdivisions are required to advertise for competitive bids for a state contract in a print publication. This bill modifies this provision and requires that the bid be advertised on the official website of the agency or subdivision or through an electronic medium available to the general public for a period of at least 10 days before bids are to be opened.

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 Natural Resources

Department of Revenue

Missouri Department of Conservation

Missouri Department of Transportation

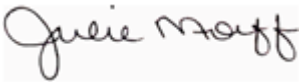
Department of Public Safety

Missouri National Guard

Office of Administration

Office of the Secretary of State

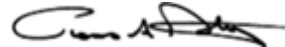
Joint Committee on Administrative Rules



Julie Morff

Director

March 21, 2023



Ross Strobe

Assistant Director

March 21, 2023