

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3632-01  
Bill No.: HB 1395  
Subject: Office of Administration; Environmental Protection; State Departments  
Type: Original  
Date: February 4, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Working Capital Revolving Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources Department of Economic Development** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of Administration - Division of Purchasing and Materials Management (COA)** state that currently state agencies are required to purchase remanufactured printer toner cartridges from Missouri Vocational Enterprises (under 217.575 RSMo). COA notes this proposal exempts remanufactured printer toner cartridges from the 217.575 requirements. COA assumes that the Division of Purchasing would competitively bid and award contracts for remanufactured printer cartridges. COA assumes that the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Corrections (DOC)** state the proposal would allow recycled toner cartridges to be purchased outside of Missouri Vocational Enterprises (MVE), which is the prison industry that teaches offenders a trade. DOC estimates passage of the proposal would cut MVE business by approximately \$600,000 for FY 2003. In addition to decreased business, DOC states their agency would incur a loss in FY 2003 of \$85,300 (\$82,300 invested in non-expendable property and \$3,000 in building improvements necessary for recycling to take place). DOC notes the value of lost business, to MVE, in future years cannot be estimated at this time. DOC also notes the proposal would result in the loss of 1 DOC FTE and 16 inmate jobs.

**Oversight** notes the resulting fiscal impact from the proposal depends on whether or not COA awards a contract to MVE for recycled toner cartridges. **Oversight** assumes if the COA awards a contract to MVE for recycled toner cartridges, the result would be a zero fiscal impact. **Oversight** assumes if the COA awards a contract to a vendor other than MVE, the fiscal impact would result in a savings to COA and a loss of \$85,300 (loss of investment in non-expendable property and additional improvement costs), in addition to the loss of the contract, to MVE.

**Oversight** assumes the net fiscal impact to state government is zero or a positive unknown. **Oversight** assumes if a vendor underbids MVE, and is awarded a contract, the savings to the General Revenue Fund would be greater than the loss to the Working Capital Revolving Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE</b>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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<b>WORKING CAPITAL REVOLVING FUND</b>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal could either adversely impact those small businesses that currently only supply virgin toner cartridges or positively impact those small businesses that currently supply recycled toner cartridges.

DESCRIPTION

This proposal adds remanufactured printer toner cartridges to the list of recycled products that are given preference in state purchasing decisions if they are comparable in quality and price to newly manufactured items. The proposal also exempts remanufactured cartridges from the requirement for state agencies to purchase available items from Missouri Vocational Enterprises.

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 - Division of Purchasing and Materials Management  
 Department of Natural Resources  
 Department of Economic Development  
 Department of Corrections

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent initial "M".

Mickey Wilson, CPA  
Acting Director

February 1, 2002