

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1996-01
Bill No.: HB 585
Subject: Administration, Office of; State Departments
Type: Original
Date: April 4, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue, Department of Natural Resources, Department of Health and Senior Services, Department of Social Services, Department of Insurance, Department of Labor and Industrial Relations, Department of Elementary and Secondary Education, Department of Higher Education, Department of Corrections, Department of Transportation, and Department of Mental Health** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Economic Development** and the **Public Service Commission** assume this proposal would have no fiscal impact on their organization.

Officials from the **Department of Public Safety; Office of the Director, State Emergency Management Agency, Office of the Adjutant General and Missouri National Guard, Division of Liquor Control, Division of Highway Safety, Capitol Police, Missouri State Highway Patrol, and Division of Fire Safety,** assume this proposal would have no fiscal impact on their organizations.

ASSUMPTION (continued)

Officials from the **Department of Public Safety, Missouri Veterans Commission** assume this proposal could have an unknown impact on their organization.

Officials from the **Department of Conservation** assume this proposal could result in some undetermined savings to the state and to the Conservation Commission Fund depending on how the reverse auctions are conducted.

Officials from the **Office of Administration, Division of Purchasing and Materials Management** (DPMM), assume this proposal would help to expedite the bid award process and provide an opportunity to obtain costs savings on behalf of the state. Training and operation of software would be necessary for staff to operate the reverse auction system. However, we do not view this as a significant effort. DPMM officials stated they were unable to whether there would be a significant fiscal impact from the proposal.

Although they did not respond to our request for information, officials from the **Department of Agriculture** and **Department of Natural Resources**, in response to a similar proposal, assumed the proposal would have no fiscal impact on their organizations.

Oversight assumes that any financial impact resulting from the implementation of the proposal would be insignificant.

ASSUMPTION (continued)

In response to a similar proposal, officials from the **Office of the Secretary of State (SOS)** assumed the proposal would require the Office of Administration, Division of Purchasing and Materials Management to promulgate rules to enact this legislation. Based on experience with other divisions, the rules, regulations, and forms issued by the Division of Purchasing and Materials Management could require as many as 8 pages in the Code of State Regulations and half again as many pages in the Missouri Register because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Register is \$23 and the estimated cost of a page in the Code is \$27. The actual cost could be more or less than the numbers given. The impact of the legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.
 ((8x\$27)+(12x\$23)=\$492)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<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.

DESCRIPTION

This proposal would modify state procurement laws. Upon passage of the proposal, the commissioner of administration could authorize the use of the reverse auction procurement method to procure goods or nonprofessional services if the commissioner believes that practice would result in savings to the state. The office of administration would promulgate rules regarding the handling of the reverse auction process. The proposal would also eliminate certain restrictions on recycled content and bidding practices.

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 Revenue
Department of Natural Resources
Department of Health and Senior Services
Department of Social Services
Department of Insurance
Department of Labor and Industrial Relations
Department of Elementary and Secondary Education
Department of Higher Education
Department of Corrections
Department of Transportation
Department of Mental Health
Department of Economic Development
Public Service Commission
Department of Public Safety
 Office of the Director
 State Emergency Management Agency
 Office of the Adjutant General and Missouri National Guard
 Division of Liquor Control
 Division of Highway Safety
 Capitol Police
 Missouri State Highway Patrol
 Division of Fire Safety
 Missouri Veterans Commission
Department of Conservation
Office of Administration
 Division of Purchasing and Materials Management
Office of the Secretary of State

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NOT RESPONDING

**Department of Agriculture
Department of Natural Resources**



Mickey Wilson, CPA
Director
April 4, 2003