

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3944-13
Bill No.: Truly Agreed To And Finally Passed SS for SCS for HS for HCS for HB 1195
Subject: Disabilities; Economic Development Dept.; Licenses - Professional
Type: Original
Date: May 28, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Unknown less than \$55,515)	(Unknown less than \$127,006)	(Unknown less than \$54,391)
Total Estimated Net Effect on General Revenue Fund	(Unknown less than \$55,515)	(Unknown less than \$127,006)	(Unknown less than \$54,391)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> 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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (COA) - Division of Budget and Planning, Office of State Courts Administrator, Department of Health and Senior Services, Department of Economic Development - Division of Professional Registration and Office of the Governor** assume the proposal will have no fiscal impact on their organizations.

Officials from the **COA - Administrative Hearing Commission** anticipate that the proposal will not significantly alter its caseload. However, if other similar proposals also pass, there are more cases, or the cases are more complex, there could be a fiscal impact.

Officials from the **Office of Prosecution Services** assume any costs incurred as a result of this proposal could be absorbed within current funding levels.

Officials from the **Department of Corrections (DOC)** stated the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through

ASSUMPTION (continued)

incarceration (FY 01 average of \$35.78 per inmate per day, or an annual cost of \$13,060 per inmate) or through supervision provided by the Board of Probation and Parole (FY 01 average of \$3.34 per offender per day, or an annual cost of \$1,219 per offender). Supervision by the DOC through probation or incarceration would result in additional unknown costs to the DOC. Eight (8) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

Officials from the **Office of Attorney General (AGO)** state the proposal makes various changes to sections pertaining to professional registration. The AGO assumes the following provisions will have no fiscal impact on their organization: Sections 190.092 and 190.1330 dealing with automated external defibrillators, Section 320.106, et al., dealing with fireworks, and Section 2 dealing with electrical contractors' licenses from political subdivisions.

For sections relating to fire marshals, this proposal creates a new licensing board within the Department of Public Safety, which would have investigative and subpoena powers. The AGO assumes that it would need ½ Assistant Attorney General II to assist the board in the rulemaking process, licensing matters, and appearances before the Administrative Hearing Commission and in any litigation that might result from the investigations the board undertakes as authorized by the proposal (Sections 324.930, et al).

For language addressing the licensure of hospitals, the AGO assumes there may be some cost. This provision allows the Department of Health and Senior Services (DOH) to deny licensure to hospitals devoted exclusively to certain procedures. The AGO assumes that if the hospitals appeal the denial of licensure, it will act on behalf of the DOH in any administrative actions. The AGO assumes that this proposal will create minimal costs that can be absorbed with existing resources (Section 1).

Therefore, the AGO assumes the proposal will have a cost of \$22,193 for FY 05, \$27,297 for FY 06, and \$27,980 for FY 07.

Oversight assumes the Department of Public Safety and/or the board created will reimburse the AGO for any costs incurred in assisting with rulemaking, licensing matters and appearances before the Administrative Hearing Commission.

Officials from the **Department of Public Safety (DPS) - Missouri State Highway Patrol** state the Highway Patrol's Criminal Records and Identification Division anticipates an increase in

ASSUMPTION (continued)

revenue generated by the proposal, but expects the increase to be very minimal based on the number of licensed private fire investigators and licensed private fire investigator agencies in Missouri.

Officials from the **DPS - Division of Fire Safety (DPS-FS)** state there are approximately 300 individuals in Missouri and neighboring states who would seek private fire investigation licensure. It is anticipated the fee for licensure would be approximately \$125 for individuals every two years. Additionally, there are approximately 35 agencies that conduct private fire investigations in or near Missouri. The fee to license agencies would be \$500 biennially. Renewal fees would be the same. The DPS-FS estimates 75 individuals and 5 agencies would apply for licensure in FY 06.

The DPS-FS is responsible for supporting the Board, promulgating rules, and processing applications, licenses, and licensure ID cards. All fees would be deposited into General Revenue (GR). The DPS-FS would request general revenue to support the administration of the program, including on FTE, as well as to support fees from the AGO. The DPS-FS does not have existing staff able to absorb the workload of this program in odd numbered years, nor the expense funding necessary to administer the licenses and support the functions of the board. In FY 05, this program is expected to general approximately \$15,000 for GR. However, since the private fire investigator licenses renew every two years, a loss is projected for FY 06 and each subsequent even numbered year.

The DPS-FS anticipates \$14,985 in revenue to GR in FY 05; costs of \$33,631 in FY 06; and revenues to GR of \$13,309 in FY 07.

Oversight assumes the DPS-FS will set the licensure fee for individuals and agencies seeking fire investigation licensure at rates sufficient to cover the costs of operating the board and program. Assuming 300 individuals and 35 organizations would apply for the biennial licensure in FY 05 and 75 individuals and 5 agencies would be licensed in FY 06, individual fire investigation license fees for a biennial license would need to be set at \$200 and business/agency licensing fees would need to be set at \$700. These rates would provide fees of \$84,500 for FY 05 and \$18,500 for FY 06, amounts sufficient to cover the costs of operations.

Oversight notes if fire investigation licensure fees are not set sufficiently high to cover program costs, funds from General Revenue will be required to cover any remaining costs.

Officials from the **Office of State Public Defender (SPD)** did not respond to our request for a statement of fiscal impact.

This proposal will result in an increase in Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Income - Department of Public Safety -</u>			
<u>Division of Fire Safety</u>			
Application and renewal fees	\$84,500	\$18,500	\$92,300
<u>Costs - Department of Public Safety -</u>			
<u>Division of Fire Safety</u>			
Personal service costs (1 FTE)	(\$20,695)	(\$25,455)	(\$26,091)
Fringe benefits	(\$8,568)	(\$10,538)	(\$10,802)
Equipment and expenses	(\$10,752)	(\$9,513)	(\$9,798)
Total <u>Costs</u> - Department of Public Safety - Division of Fire Safety	(\$40,015)	(\$45,506)	(\$46,691)
<u>Costs - Department of Corrections</u>			
Increased incarceration and parole costs	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE			
	<u>(Unknown less than \$55,515)</u>	<u>(Unknown less than \$127,006)</u>	<u>(Unknown less than \$54,391)</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would have a direct effect on private fire investigator businesses.

DESCRIPTION

This proposal changes the laws regarding the licensing of certain professions.

EXTERNAL DEFIBRILLATORS

Any person or entity which owns an automated external defibrillator used outside of a health care facility must have a physician review all protocols.

DESCRIPTION (continued)

PRIVATE FIRE INVESTIGATORS

The Board of Licensed Private Fire Investigator Examiners is created within the Division of Fire Safety in the Department of Public Safety. All persons wishing to act as private fire investigators are required to be licensed by the board. Certain professions are exempted from licensure requirements.

The proposal also contains provisions pertaining to the powers and duties of the board, licensing applications, fees, advertising, fraud, making false statements, manufacturing evidence, and affiliations with government agencies. The board is also authorized to conduct investigations; issue subpoenas; suspend, revoke, and deny licenses; and cause complaints to be filed with the Administrative Hearing Commission.

LICENSED PROFESSIONAL COUNSELORS; CLINICAL SOCIAL WORKERS

Licensed professional counselors and clinical social workers holding licenses in other states are allowed to make application for a Missouri license if they pass a written examination and meet certain criteria.

MARITAL AND FAMILY THERAPISTS

Persons are prohibited from using the title or saying they are marital and family therapists or provisional marital and family therapists without being duly licensed by the State Committee of Marital and Family Therapists. The proposal allows marital and family therapists holding licenses in other states to make application for a Missouri license if they pass a written examination and meet certain criteria.

HOSPITAL LICENSES

The Department of Health and Senior Services will not license a facility as a hospital if it is devoted primarily to conducting certain specialty procedures until August 28, 2005.

ELECTRICAL CONTRACTORS

A person holding an electrical contractor license issued by any political subdivision in this state, whose requirements are equal to or exceed the requirements of St. Louis County, will be valid in any political subdivision in this state.

DESCRIPTION (continued)

The proposal contains a severability clause.

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 Attorney General
Office of Administration -
 Administrative Hearing Commission
 Division of Budget and Planning
Office of the Governor
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Corrections
Department of Health and Senior Services
Department of Public Safety -
 Division of Fire Safety
 Missouri State Highway Patrol
Office of Prosecution Services

NOT RESPONDING: Office of State Public Defender



Mickey Wilson, CPA
Director
May 28, 2004