

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4639-02
Bill No.: SCS for SB 1277
Subject: Licenses - Professional; Fire Protection; Public Safety Department; Boards, Commissions, Committees, Councils.
Type: Original
Date: April 2, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	\$19,485	(\$33,469)	\$13,638
Total Estimated Net Effect on General Revenue Fund	\$19,485	(\$33,469)	\$13,638

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</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 the Governor, Missouri Senate, Department of Insurance** and the **Office of the State Public Defender** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact the courts.

Officials from the **Office of Prosecution Services** assume that any costs resulting from this proposal could be absorbed within existing resources.

Officials from the **Office of Administration - Budget and Planning** state the proposal should not result in additional costs or savings to their agency. The proposal may increase total state revenues.

Officials from the **Office of Administration - Administrative Hearing Commission** assume the bill will not significantly alter its caseload. However, if other similar bills also pass, there will be fiscal impact. If there are more cases, or more complex cases, there could be a fiscal impact.

ASSUMPTION (continued)

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Department of Public Safety - Board of Licensed Private Fire Investigator's authority to promulgate rules, regulations, and forms. SOS estimates the Board could require approximately 8 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 12 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal are estimated to be \$492, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal, however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

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.

In response to a previous version of this proposal, officials from the **Department of Corrections (DOC)** assumed they could not 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 would incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY03 average of \$3.15 per offender per day or an annual cost of \$1,150 per offender).

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of the Attorney General (AGO)** state this proposal creates a new licensing board within Public Safety, which would have investigative and subpoena powers. AGO assumes that it would need ½ FTE Assistant Attorney General II to assist the board in the rulemaking process, licensing matters before the Administrative Hearing Commission, and in any litigation that might result from the investigations the board undertakes as authorized by the proposal. The AGO assumes the ½ FTE would cost roughly \$27,000 per year.

ASSUMPTION (continued)

Based upon responses by the Office of the Attorney General (AGO) for supporting boards of similar size, **Oversight** assumes the AGO would provide approximately 60 hours of assistance per year with rules, opinions and meetings. Based on an hourly cost of \$60.87, the annual total would be \$3,652. Also, it is estimated that 25% of the investigations (1 case) would be forwarded to the AGO for further action. It is assumed there would not be any cases until FY 06. Based on a cost of \$5,400 per case, the annual cost would be \$5,400. Oversight assumes this expense would be reimbursed from the Division of Fire Safety.

Officials from the **Department of Public Safety - Division of Fire Safety (DFS)** state they would be responsible for administering this program to include supporting the "Board of Licensed Private Fire Investigator Examiners"; processing applications; receiving application fees and handling the general accounting associated with the fees; reviewing the applicants qualifications and supporting documentation including experience and training; providing courses and exams for applicants, and conducting background checks of each applicant. DFS states that not only will new private investigators and agencies need to be processed each year for licensure, but existing private investigators must renew every two years.

DFS estimates there are approximately 300 individuals in Missouri and neighboring states who would seek private fire investigation licensure. From speaking with proponents for this legislation, the fee would be approximately \$125 for individuals. Additionally, there are approximately 35 agencies that conduct private fire investigations in or near Missouri. The license fee for each agency would be \$500. Renewal fees would be the same as initial application fees. DFS is responsible for supporting the Board, promulgating rules, and processing application, licenses, and licensure ID cards. All fees would be deposited into general revenue. DFS would request additional general revenue to support the administration of this program, including one FTE Senior Office Support Assistant (at \$24,228 annually), as well as to support fees from the AG's office as indicated in the previous fiscal note. DFS states they do 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 2005, DFS assumes \$55,000 of income from the application fees from the estimated 300 individuals (300 x \$125 each = \$37,500) plus the estimated 35 agencies (35 x \$500 each = \$17,500). DFS then assumes income of \$11,875 in the even year of FY 2006, and then application and renewal fee of \$60,000 in FY 2007. DFS estimates the cost of administering the program to be roughly \$45,000 in each fiscal year. DFS assumes the program to generate nearly \$14,000 for general revenue in the odd numbered fiscal years (FY 2005 and FY 2007) since the private fire investigator renews every two years. DFS assumes this would also result in a loss of

ASSUMPTION (continued)

roughly \$33,000 in FY 2006 and each subsequent even numbered year.

This proposal will increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Income</u> - application and renewal fees	\$55,000	\$11,875	\$60,000
<u>Costs</u> - Division of Fire Safety (DFS)			
Personal Service (1 FTE)	(\$20,695)	(\$25,455)	(\$26,091)
Fringe Benefits	(\$8,568)	(\$10,538)	(\$10,802)
Expense and Equipment	(\$3,516)	(\$1,133)	(\$1,166)
Board expenses	(\$2,736)	(\$2,818)	(\$2,903)
AGO costs	<u>\$0</u>	<u>(\$5,400)</u>	<u>(\$5,400)</u>
Total Costs - DFS	<u>(\$35,515)</u>	<u>(\$45,344)</u>	<u>(\$46,362)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$19,485</u>	<u>(\$33,469)</u>	<u>\$13,638</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

Small private investigation businesses would be required to be licensed (\$500), and have any investigators whom are employed by them be licensed (\$125 each), through the Division of Fire Safety.

DESCRIPTION

This substitute provides for the licensing of private fire investigators. The proposal creates the Board of Licensed Private Fire Investigator Examiners 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 for licensure requirements. The proposal sets out membership on the board as well as the powers and duties of the board. All applications must be accompanied by a fee which shall be collected by the Division of Fire Safety and deposited in the general revenue fund. The Board shall develop the form of the license which must be carried and displayed by licensees. The proposal contains provisions pertaining to advertising, fraud, making false statements, manufacturing false evidence and claiming affiliations with state or federal government agencies. The Board is empowered to conduct investigations, issue subpoenas, deny licensure or take disciplinary action against licensees, and cause complaints to be filed with the administrative hearing commission.

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
Administrative Hearing Commission
Budget and Planning
Department of Public Safety
Division of Fire Safety
Department of Insurance
Office of the Governor
Missouri Senate
Department of Corrections
Office of Prosecution Services
Office of the Attorney General
Office of the State Public Defender
Office of the State Courts Administrator
Office of the Secretary of State



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April 2, 2004

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