

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0892-01
Bill No.: SB 182
Subject: Agriculture Dept.; Insurance - General; Licenses - Professional
Type: Original
Date: January 24, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Insurance** assume no fiscal impact to their agency.

Officials with the **Department of Agriculture - Division of Weights and Measures** estimate approximately 2,000 businesses would be affected by the provisions of 323.060. The division assumes each registered business would be required to submit a certificate of insurance prior to any occurrence. The division would anticipate the need for a clerical support person to file certificates of insurance, monitor expiration dates on certificates and ensure new certificates are submitted. It appears most certificates expire one year from the date of issue. This would require some modifications to existing computer programs to maintain and monitor certificates of insurance.

Oversight assumes funding for additional staffing should be requested through the normal budgetary process.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes - many of the business registered under Chapter 323 would be classified as small businesses, such as HVAC service and repair businesses. It could be a potential burden for some of them to obtain insurance and demonstrate financial responsibility of \$1 million per occurrence.

DESCRIPTION

This act exempts persons who only sell liquefied petroleum gas in containers having a capacity of 50 pounds or less that have been filled by another person to be registered with the Department of Agriculture from the registration requirements of Section 323.060.

Under this act, persons registered to sell liquefied petroleum gas must demonstrate financial responsibility for compensating third parties for bodily injury and property damage caused by the release of liquefied petroleum gas. The minimum amount of financial responsibility shall be \$1,000,000 per occurrence with an annual aggregate of \$2,000,000. The person may demonstrate insurance either by self insurance if an independent audit shows that the person has a net worth of \$10,000,000. The person may also demonstrate financial responsibility by obtaining liability insurance issued by an insurance company authorized to do business in Missouri. A person cannot engage in the business of selling liquefied petroleum gas until proof of financial responsibility is filed with the Department of Agriculture.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Agriculture
Department of Insurance

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

Mickey Wilson, CPA
Director
January 24, 2005