

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4822-02  
Bill No.: HB 1830  
Subject: Business and Commerce: Property, Real and Personal  
Type: Original  
Date: March 13, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>General Revenue</b>	(Unknown - Expected to be Less than \$100,000)	(Unknown - Expected to be Less than \$100,000)	(Unknown - Expected to be Less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown - Expected to be Less than \$100,000)</b>	<b>(Unknown - Expected to be Less than \$100,000)</b>	<b>(Unknown - Expected to be Less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of State Courts Administrator** assume there will be no fiscal impact on the Courts.

Officials from the **Office of Prosecution Services** state this proposal will not have a significant fiscal impact on county prosecutors.

Officials from the **Department of Public Safety - Office of the Director** and **Missouri State Highway Patrol** indicated there would be no fiscal impact on their agency.

According to officials from the **Department of Corrections (DOC)**, 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 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).

ASSUMPTION (continued)

This proposed legislation establishes provisions for secondhand dealers. The penalty provision component of the bill resulting in potential fiscal impact for the DOC, is for up to a class C felony.

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. 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 **Boone County Sheriff's Department** indicated this proposal would have no fiscal impact on their agency.

Officials from the **Jefferson City Police Department** were unable to provide an estimate of fiscal impact, since they did not know the number of "permitted users" nor what the "reasonable charge" would be to establish and maintain the data base.

Officials from the **Springfield Police Department** indicated an estimated \$15,000 per year in costs for participation with a third party vendor.

Officials from the **St Joseph Police Department** anticipate that if they required all businesses that meet the definition of secondhand dealer to report their transactions electronically in the same manner as currently required of pawnshops, most likely there would be a significant increase in the access charged by the database provider. However, as long as electronic reporting remains an option and not a requirement they do not foresee their agency incurring any immediate financial impact from the passage of this proposal.

**Oversight** assumes the use of the data base is optional and each law enforcement agency could chose whether or not to use, or to what extent to utilize, the database. Therefore, **Oversight** assigns no cost to local law enforcement agencies.

**Officials from the Office of Attorney General and the Office of State Public Defender did not respond to a request for fiscal note.**

**A fiscal impact request was sent to the Clark County Sheriff, St Charles Police Department, St Louis County Department of Police, and other local law enforcement agencies who did not respond to a request for fiscal impact of the proposal.**

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE</b>			
<u>Cost - Department of Corrections -</u> Incarceration Expenses	(Unknown - Expected to be Less than <u>\$100,000</u> )	(Unknown - Expected to be Less than <u>\$100,000</u> )	(Unknown - Expected to be Less than <u>\$100,000</u> )
<b>EXPECTED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown - Expected to be Less than \$100,000)</u></b>	<b><u>(Unknown - Expected to be Less than \$100,000)</u></b>	<b><u>(Unknown - Expected to be Less than \$100,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small secondhand dealers may incur additional administrative costs in complying with this proposal.

DESCRIPTION

This proposed legislation defines "secondhand dealer," "secondhand goods," and "shop" and requires secondhand dealers to provide a receipt to the seller of secondhand goods, to maintain copies of all transactions, and to obtain certain information relating to the goods and sellers prior to purchasing secondhand or used personal property.

A data base will be created and maintained by a third party for the purpose of gathering data on transactions of secondhand dealers and making that information available to authorized agencies.

The proposal also contains provisions regarding misappropriated property.

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 State Courts Administrator  
Department of Public Safety  
    Office of the Director  
    Missouri State Highway Patrol  
Department of Corrections  
Office of Prosecution Services  
Local Law Enforcement Agencies  
    Springfield Police Department  
    St Joseph Police Department  
    Boone County Sheriff's Department  
    Jefferson City Police Department

NOT RESPONDING

**Office of Attorney General**  
**Office of State Public Defender**  
**Local Law Enforcement Agencies**  
    **Clark County Sheriff**  
    **St Charles Police Department**  
    **St Louis County Department of Police**  
    **Other Law Enforcement Agencies**



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Director  
March 13, 2006