

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0355-01
Bill No.: SB 153
Subject: Insurance - General; Insurance Dept.; Bonds - Bail; Licenses - Professional
Type: Original
Date: February 26, 2007

Bill Summary: Establishes a consistent set of administrative, civil and criminal enforcement tools for all of Missouri's insurance laws and regulation of bail bond agents.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	0*	0*	0*
Total Estimated Net Effect on General Revenue Fund	\$0*	\$0*	\$0*

* Income and expenses less than \$100,000 and net to \$0.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (COA) - Administrative Hearing Commission, COA - Information Technology Services Division, Department of Public Safety (DPS) - Director's Office, Missouri Department of Transportation, and Office of State Public Defender** assume the proposal will have no fiscal impact on their organizations.

Officials from the **DPS - Missouri State Highway Patrol (MHP)** state the MHP already performs criminal history record information checks in accordance with section 43.500 to 43.543 that would cover the provisions of 374.715, and, therefore, assume the proposal will have no fiscal impact on their organization. However, the Missouri Department of Transportation will also be responding on behalf of the MHP.

Officials from the **Office of Attorney General (AGO)** assume that the AGO may be referred some additional matters pursuant to the provisions of this proposal. The AGO assumes that any additional referrals could be absorbed with existing resources. However, if the number of referrals exceed expectations, the AGO may seek appropriations to handle the additional workload.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal would not have a significant direct fiscal impact on county prosecutors or the OPS.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** assume the proposal would result in a minimal impact for programming changes, but these costs will be covered with current appropriations. Therefore, the proposal will have no fiscal impact on the DIFP.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

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

ASSUMPTION (continued)

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 either incarceration (FY 06 average of \$39.43 per inmate per day or an annual cost of \$14,394 per inmate) or through supervision provided by the Board of Probation and Parole (FY 06 average of \$2.52 per offender, per day or an annual cost of \$920 per offender per year).

DOC assumes the narrow scope of the crime will not encompass a large number of offenders. The low felony status of the crime enhances the possibility of plea-bargaining or the imposition of a probation sentence. The probability also exists that offenders would be charged with a similar but more serious offence of that sentences may run concurrent to one another.

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 State Courts Administrator (CTS)** state the proposed legislation would require a general bail bond agent to file a sworn affidavit with the CTS attesting that the agent has financial solvency. The legislation also allows the CTS to establish and assess a filing fee for said filing.

Currently, an estimated 1,200 bail bond agents are licensed and would be required to file the sworn affidavit with the CTS. The filing fee has not been set, therefore, the cost to implement the proposed legislation is unknown. The cost of this impact is not expected to be in excess of \$100,000.

Oversight assumes the CTS would set fees sufficient to cover the cost of implementing the legislation and the net effect would be \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Income - Office of State Courts</u>			
<u>Administrator</u>			
Affidavit filing fees	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000
<u>Costs - Office of State Courts</u>			
<u>Administrator</u>			
Expenses and equipment for affidavit filings	<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 FUND** **\$0***

*** Income and expenses less than \$100,000 and net to \$0.** **\$0***

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal will impact small business bail bond agents by requiring them to file an affidavit with the Office of State Courts Administrator attesting to financial solvency.

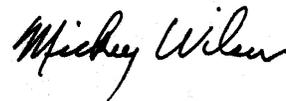
FISCAL DESCRIPTION

Under the proposal, applications for bail bond agents shall be accompanied by fingerprints and a criminal history record information check processed by the Highway Patrol (Section 374.715). Under the proposal, each general bail bond agent shall file with the director and the state courts administrator no later than December first of each year a sworn affidavit attesting that the general agent has net assets with a value in excess of any personal exemptions from execution, at least equal to the aggregate amount of bonds that are subject to execution in Missouri.

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
Office of State Courts Administrator
Missouri Department of Transportation
Department of Insurance, Financial and Professional Regulation
Department of Corrections
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Office of Prosecution Services
Office of Secretary of State
Office of State Public Defender



Mickey Wilson, CPA
Director
February 26, 2007