

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2034-10
Bill No.: Truly Agreed To and Finally Passed CCS for SS for SCS for HCS for HB 780
Subject: Boards, Committees, Councils; Cemeteries; Licenses - Professional; Pharmacy; Architects; Engineers; Health Care Professionals; Nurses; Nursing and Boarding Homes
Type: Original
Date: June 18, 2007

Bill Summary: Modifies various provisions relating to professional licensing.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$54,311)	(Unknown less than \$112,902)	(Unknown less than \$114,041)
Total Estimated Net Effect on General Revenue Fund	(\$54,311)	(Unknown less than \$112,902)	(Unknown less than \$114,041)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 24 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Tattoo	\$3,700	\$3,700	\$3,700
Criminal Records	\$0	\$8,400	\$256
Athletic	\$0	\$24,894	\$44,909
Hearing Instrument Specialist	\$0*	\$0*	\$0*
Board of Registration for the Healing Arts	\$0*	\$0*	\$0*
Private Investigator Examiners	\$0	\$178,907	(\$118,908)
PR Fees	(\$110,763)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$107,063)	\$215,901	(\$70,043)

* Transfers between funds and increase in fees nets to \$0.

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
General Revenue	1	1	1
Private Investigator Examiners	1.5	1.5	1.5
Total Estimated Net Effect on FTE	2.5	2.5	2.5

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	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Public Safety (DPS) - Director's Office, Office of the Governor, and Department of Revenue** assume the proposal will have no fiscal impact on their organizations.

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

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to the BAP. However, there are various provisions that will result in a statewide impact.

Section 324.1102.5: Creates the "Board of Private Investigator Examiners Fund" within the state treasury. Fees related to the licensure of private investigators will be deposited into this fund and moneys must be used solely for administration of sections 324.1100 to 324.1148 related to private investigators. The creation of this new fund will increase total state revenue. The BAP defers to the Department of Insurance, Financial and Professional Regulation (DIFP) for an estimate on how much money will be deposited into the newly created fund.

New License Fees: There are various sections contained in the Conference Committee Substitute (CCS) that authorize the DIFP to impose fees on individuals applying for a license to practice the various professions that were added in the CCS. These additional fees will increase total state revenue. The BAP defers to the DIFP for an estimate on how much revenue will be generated as a result of these fees.

Civil Penalties: There are several sections in the CCS that authorize certain entities to impose civil penalties on licensees for violations. These penalties will be distributed to schools per Section 7 of Article IX of the MO Constitution and will not affect state revenues.

Various sections allow the Department of Health and Senior Services (DOH) to charge fees for reactivating and placing nursing home administrator licenses on an inactive status. These fees will increase total state revenues. The BAP defers to the DOH for an estimate on how much revenue will be generated as a result of these fees.

ASSUMPTION (continued)

Officials from the **Department of Social Services (DOS)** state this is a broad ranging proposal that includes regulation for several professional groups and activities. This version adds provisions regarding social workers. The proposal also sets four tiers of licensing for social workers: clinical social worker, baccalaureate social worker, advanced macro social worker, and master social worker.

The social worker licensing provisions have no fiscal impact to the DOS because Section 337.603 continues to exempt the "practice of any social worker who is employed by any agency or department of the state of Missouri while discharging the person's duties in that capacity."

Provisions relating to the Chronic Kidney Disease Task Force have no impact to the DOS as the Department of Health and Senior Services is responsible for providing support and funding for the task force.

Officials from the **Office of Attorney General (AGO)** state the proposal makes significant changes to the existing licensing laws and also adds a new category, private investigators, to existing law. Based on these changes, the AGO assumes that it would require 0.5 FTE Assistant Attorney General II (AAG) to hand the new responsibilities set out in this proposal.

The AGO further notes that there are other significant changes to state law that may require additional work by the AGO. Depending on the number of complaints received and referrals to the AGO for action before the Administrative Hearing Commission, there could be a need for additional attorney resources to implement these provisions. As a result, the AGO may seek additional appropriations depending on the number of complaints received under the new sections of law.

The AGO assumes that Section 407.309 could create additional consumer cases. The AGO does not know how many complaints will be filed under this provision and, at this time, assumes that costs can be absorbed within existing appropriation levels. However, if the AGO determines that the number of new complaints is more than anticipated, the AGO may seek additional appropriations to handle this new responsibility.

The AGO estimates FY 08 costs of \$23,378; FY 09 costs of \$28,895; and FY 10 costs of \$29,762.

Oversight assumes the AGO would not hire an additional 0.5 FTE AAG II and would have existing staff absorb the additional duties.

ASSUMPTION (continued)

Officials from the **Office of Secretary of State (SOS)** state the proposal requires the Department of Insurance, Financial and Professional Regulation, Department of Health and Senior Services, and Department of Social Services to promulgate rules. These rules would be published in both the Missouri Register and Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the various agencies could require as many as 120 pages in the Code of State Regulations and 180 pages in the Missouri Register because of cost statements and fiscal notes, etc. that are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The SOS estimates a total cost of \$7,380 [(180 pgs. X \$23) + (120 pgs. X \$27)]. These costs are estimates and depend on the number of rules printed, rescinded, and amended.

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.

Officials from the **Office of State Public Defender (SPD)** assume the new crime will create new cases for the SPD. The exact number of cases affected is too uncertain to provide a definitive dollar amount of fiscal impact. Nevertheless, there will some impact.

Since the amount of impact is so uncertain, the SPD is assuming existing staff will probably be able to provide representation in these cases initially. However, once the true fiscal impact is determined, the SPD will reassess the impact of the legislation. Passage of more than one bill increasing existing penalties or creating new crimes would require increased appropriations for the SPD.

Officials from the **Office of State Treasurer (STO)** state the Board of Geologist Registration Fund will now be subject to the biennial transfer when the balance exceeds two (2) times the previous fiscal year's appropriations or three (3) times that amount if the board requires license renewals less frequently than yearly. The fiscal impact to General Revenue is \$0 to Unknown.

The STO states the Missouri Real Estate Appraisers Fund will now be subject to the biennial transfer when the balance exceeds two (2) times the previous fiscal year's appropriations or three (3) times that amount if the board requires license renewals less frequently than yearly. The fiscal impact to General Revenue is \$0 to Unknown.

ASSUMPTION (continued)

The STO also states that effective July 1, 2008, in every odd numbered year, the Board of Healing Arts will transfer from the "Board of Registration for the Healing Arts Fund" to the "Hearing Instrument Specialist Fund" an amount not to exceed \$61,000 to replace decreased renewal fees received by the Board of Examiners for Hearing Instrument Specialists as a result of the decrease in licensees. The amount will be equal to the license renewal fees paid during FY 06 and FY 07. Subsequent transfers may not decrease by more than 25%.

In addition, the Professional Registration Fees Fund will now be subject to the biennial transfer when the balance exceeds three (3) times the previous fiscal year's appropriations. The fiscal impact to General Revenue is \$0 to Unknown.

Finally, the STO states it only ensures disbursements are made from a lawful appropriation and don't exceed the amount of the appropriation. If the wording of the proposal is not changed, the STO will need one (1) FTE Accounting Specialist I (\$39,324 annually) plus fringe benefits to monitor these disbursements.

Oversight has, for fiscal note purposes only, changed the starting salary for Accounting Specialist I to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight assumes any potential biennial transfers from the Board of Geologists Registration Fund and the Missouri Real Estate Appraisers Fund will occur outside the period of this fiscal note as licenses for Geologists and Real Estate Appraisers are renewed biennially and are, therefore, not subject to the biennial transfer until the fund balances exceed three (3) times the previous year's appropriations. **Oversight** also assumes any biennial transfers from the Professional Registration Fees Fund will occur outside the period of this fiscal note.

Officials from the **Office of Prosecution Services (OPS)** state the proposed legislation includes provisions for new criminal acts and, therefore, creates new obligations for prosecuting attorneys. In addition, it increases the classification of a crime from a misdemeanor to a felony. Any increase in the number of cases referred for criminal prosecution and any new statutory obligations for prosecutors will have an additional fiscal impact on County Prosecutors. Generally, the prosecution of felonies requires more time and attention than misdemeanor cases. However, the OPS is not able to establish an estimate of the number of additional criminal cases that would be referred to the County Prosecutors for charges because of this proposed legislation. It is therefore, not possible determine if the proposal would have a significant direct fiscal impact on county prosecutors of the OPS.

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** state it 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 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). Supervision by the DOC through probation or incarceration would result in additional unknown costs to the DOC. Seven (7) 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.

Oversight assumes, based on Department of Insurance, Financial and Professional Regulation's response, that the DOC would not incur additional costs until FY 09.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** provide the following assumptions:

Sections 317.001 - 317.019

The board has assumed there will be approximately 38 annual events each year, should the number of events vary, the appropriation and revenue will also vary.

It is assumed that each of the 4 staff inspectors as well as the 26 contracted inspectors will need additional training. It is estimated the training will cost \$404 per training session for each inspector with 3 training sessions per year (\$12,120) and an additional \$100 per training session for each contracted inspector (\$7,800) for per diem charges. It is further assumed that each training seminar (3) will need 2 trainers (\$1,112 per trainer for each seminar).

The board assumes that 2 contracted inspectors will need to attend each event (38) and be paid a per diem per event of \$150.

It is assumed that the average gate will be \$25,000 per event, there is a 7 % state and local sales tax, and a 5% gate tax on the remaining gate income for a total of \$1,163 total gate tax received by the Athletic fund per event.

ASSUMPTION (continued)

The DIFP assumes application revenue will be generated for contestants, judges, referees, promoters, announcers, timekeepers, matchmakers, events, etc. Based on the number of different categories of applications that could be received, the DIFP estimates total applicant fee revenue of \$37,740 for FY 08; \$16,550 for FY 09; and \$37,740 for FY 10. The DIFP assumes judges, referees, announcers, timekeepers, and matchmakers, etc. will receive biennial licenses.

The DIFP estimates additional funds to the Athletic Fund of \$43,918 for FY 08; \$21,588 for FY 09; and \$41,603 for FY 10, net of expenses.

Oversight notes per section 317.006 of the proposal, a tax of five percent (5%) on the gross receipts derived from admission charges is to be deposited into the Athletic Fund. In addition, there would be state and local taxes charged on the admission charges for the events. Assuming \$25,000 per event and 38 events per year, gross receipts would be \$950,000 ($\$25,000 \times 38$). \$47,500 would be deposited into the Athletic Fund annually ($\$950,000 \times 5\%$). In addition, **Oversight** estimates the General Revenue Fund would receive approximately \$40,138 ($\$950,000 \times 4.225\%$ state tax rate) from these events annually. Assuming an average local tax rate of 2.775% (7% minus 4.225%), local governments would receive approximately \$26,363 annually.

As noted by the DIFP, if the number of events vary, so will the tax revenues collected and deposited into General Revenue, the Athletic Fund, and local governments.

Oversight also notes that the provisions relating to mixed-martial arts is effective July 1, 2008.

Sections 324.520 - 324.523

It is assumed that 100 individuals and establishments will request licenses at a fee of \$37 per licensee per year, creating an increase in revenue to the Tattoo Fund of \$3,700 annually.

Sections 335.036 & 335.067

It is assumed that the Board of Nursing will meet five additional times the first year to promulgate rules, write the RFP and set up the Impaired Nurses Program. It is assumed that the per diem and travel expenses will be approximately \$7,389 in FY 08 and \$683 in subsequent fiscal years.

Based on the costs associated with the Dental Well-Being Committee and the Physician Well-Being Committee, the board believes the costs to implement the Impaired Nurses Program

ASSUMPTION (continued)

will be approximately \$3,200 per licensee enrolled in the program. The board estimated the number of licensees, who will participate in the program to be 200, for a cost of \$640,000. Therefore, total costs of the Impaired Nurse Program is estimated to be \$13,562 in FY 08 (program set-up costs of \$6,062 + meeting expenses of \$7,500) and \$640,683 (\$640,000 program costs + \$683 meeting expenses) for FY 09 and FY 10.

It is the Nursing Board's intent to fund part of the program from their existing budget and to have the impaired nurse pay a portion of the costs as well.

Oversight assumes the Nursing Board would require participants to pay fees to cover the costs of treatment and/or adjust nurse licensing fees, if necessary, to cover the costs of the Impaired Nurse Program.

Sections 339.100 - 339.205

The total fiscal impact of practicing real estate without a license is unknown since the number of violations are unknown. It is assumed the penalties will go to the public schools fund.

Oversight notes per the legislation, penalties are to be deposited in the General Revenue fund and distributed according to the Missouri Constitution, Article IX, section 7. Penalties are to be transferred to county treasurers for distribution to schools.

Sections 345.015 - 346.110

Based on FY 07 board projections, the division estimates 18 endorsement applications (at \$150 each) will no longer be received by the board of Hearing Instrument Specialists thereby decreasing their fund by \$2,700 annually. The board estimates 230 audiologists will not be required to renew their hearing instrument specialist license (at \$250 each) decreasing revenue into the Hearing Instrument Specialist Fund by \$57,500. Based on the language as written the Board of Healing Arts would be required to supplement the Hearing Instrument Specialist fund by these amounts, up to \$61,000. The Board of Healing Arts will increase audiology licensing fees to recoup the cost of the supplement required by this legislation. This will result in a zero net affect on the fund(s) involved.

Sections 324.1100 - 324.1148

The DIFP states based on a 2005 estimate from a search of Occupational Projections by the Department of Economic Development, Occupational Employment Statistics (OES) and including a 3% growth rate, there are 525 individuals in the state of Missouri that will be required to obtain private investigator licenses.

ASSUMPTION (continued)

The DIFP estimates an initial biennial licensing fee of \$570 per licensee that will begin being collected in FY 09. Initial licensing fees are estimated to be \$299,250. It is assumed that all fees collected would be deposited into a fund for the Board of Private Examiners Fund and that all expenses would be paid out of that fund. It is assumed no revenue will be generated by the Board of Private Investigator Examiners in FY 08. Therefore, expenses incurred by the board will be paid back to the PR Fees Fund by a lending board within the division, pursuant to section 620.106, RSMo. It is estimated payback of any outstanding loans would be made in FY 2011.

Expenses and equipment costs were based on information from boards with a like-sized licensee base. The proposed legislation will create the need for 1.5 FTE as follows: Principal Assistant (0.5 FTE) to serve as the senior executive officer of the agency (\$59,532 annual full-time salary), a Licensure Technician II (0.5 FTE) will be needed to provide technical support, process licensure applications and respond to inquiries regarding licensure law (\$23,916 annual full-time salary) and an Investigator II (0.5 FTE) to conduct investigations and inspections, serve notices and gather information as required by the board (\$33,888).

The DIFP assumes that the remaining boards affected by this proposal will realize no fiscal impact.

Officials from the **DPS - Missouri State Highway Patrol (MHP)** state the Department of Insurance, Financial and Professional Regulation advised the MHP that they expect approximately 500 fingerprint checks per year.

The total fees from record checks is estimated to be \$19,000 (\$38 per fingerprint check X 500 checks per year).

The state fingerprint processing fee is \$14; therefore, the anticipated revenue to the Criminal Records Fund is \$7,000 (500 checks X \$14).

The FBI fingerprint processing fee is \$24. However, \$2 is retained in the Criminal Records Fund as an administrative fee. Therefore, \$1,000 (\$2 X 500 checks) is retained in the Criminal Records Fund and \$11,000 (\$22 X 500 checks) is passed-through to the FBI, i.e. not retained in the Criminal Records Fund.

The MHP estimates this proposal will result in an additional \$8,000 (\$7,000 state processing fee + \$1,000 FBI administrative fee) to the Criminal Records Fund.

The increase in processing fees will not begin until FY 09 as the DIFP does not plan to begin licensing private investigators until FY 09.

ASSUMPTION (continued)

Oversight notes the DIFP estimates 525 applicants in FY 09 and anticipates a 3% growth rate (16 applicants would need to be fingerprinted in FY 10). Income to the Criminal Records Fund for FY 09 is estimated to be \$8,400 [525 applicants X (\$14 state fee + \$2 FBI fee)]; income for FY 10 is anticipated to be \$256 [16 applicants (\$14 state fee + \$2 FBI fee)].

Oversight notes that penalties collected as a result of violations are to be paid to the county treasurer (Section 327.077.8).

Officials from the **Department of Health and Senior Services (DOH)** provide the following assumptions:

Section 192.632 - This proposal creates a Chronic Kidney Disease Task Force, with support from the DOH. Staff from the Division of Community and Public Health, Bureau of Cancer and Chronic Disease Control will provide staffing for the task force within the current funding available to the Bureau. Since the links between hypertension, diabetes and chronic kidney disease/failure are very strong, staffing will be provided through one or more of the following programs: Diabetes Prevention and Control, Heart Disease and Stroke Prevention, and/or the Missouri Organ Donor Program.

The DOH assumes the task force will be in existence for only one year, since the proposal requires the task force to prepare its final recommendations in the form of a report to the General Assembly within one (1) year of its first meeting. Although the proposal does not specify how often the task force is to meet, it is assumed that the task force will meet up to six times annually. The DOH assumes the task force will be appointed in September, start meeting in October and meet every other month through August.

The proposal lists 17 required members and allows for other members. As several required members are specialty physicians, it is assumed that most members will come from the Kansas City and St. Louis areas. It is also assumed that a member of the Missouri Organ Donor Program will serve on the task force. Since other members may also be chosen to serve on the task force, costs are calculated for a total of 25 task force members. DOH assumes a standard cost of \$160 per member per meeting for lodging, meals, and mileage for a total cost of \$24,000 (\$160 X 25 members X 6 meetings).

Oversight assumes the minimum members required (17) would make up the Task Force for a total cost of \$16,320 (\$160 X 17 members X 6 meetings), with 5 meetings being held in FY08 and one being held in FY09.

ASSUMPTION (continued)

Sections 344.030.1, 344.060.1 and .2, 344.080.1, and 344.105.1 - The DOH states there are 1,559 nursing home administrators currently licensed in Missouri. Approximately 886 of these individuals are working in skilled nursing facilities, intermediate care facilities, assisted living facilities, and residential care facilities that follow RCF II regulations. There are an additional 264 administrators (who may or may not be licensed nursing home administrators) who are working in residential care facilities. This leaves 409 licensees who are not using the license and may choose the inactive status. The Division of Regulation and Licensure (DRL) estimate that approximately 15% of the 409 (or 61) must maintain an active license due to their position with a nursing home corporation or who work as a consultant. That reduces the total to 348. Of the 348, based upon the history of non-renewals, approximately 160 licensees will choose to not renew the license for various reasons such as moving out of state, leaving the profession, etc, and most likely would not choose inactive status. That leaves 188 that are not using the license and may choose the inactive status. Of those remaining 188 licensees, the DLR estimates that approximately half, or 94, will elect the inactive status to avoid continuing education and licensure costs. If 94 licensees elect inactive status, they must pay the \$100 renewal fee for the initial inactive license and will pay a fee yet to be determined by rule every two years to renew the inactive license (for a maximum of 6 years).

This proposal will impact total state revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Income - Civil Penalties Collected</u> (Section 327.077.8)	Unknown	Unknown	Unknown
<u>Income - DIFP</u>			
Increase in tax revenue from athletic events (Sections 317.001 - 317.019)	\$0	\$40,138	\$40,138
Penalties collected for practicing real estate without a license (Sections 339.100 - 339.205)	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$100,000</u>
Total <u>Income</u> - DIFP	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$140,138</u>	<u>Unknown less than \$140,138</u>
<u>Costs - Department of Health and Senior Services</u>			
Task force meeting costs	(\$13,600)	(\$2,720)	\$0
<u>Costs - Office of State Treasurer</u>			
Personal service costs (1.0 FTE)	(\$28,026)	(\$34,641)	(\$35,680)
Fringe benefits	(\$12,685)	(\$15,679)	(\$16,149)
Total <u>Cost</u> - Office of State Treasurer	(\$40,711)	(\$50,320)	(\$51,829)
FTE Change - STO	1.0 FTE	1.0 FTE	1.0 FTE
<u>Costs - Department of Corrections</u>			
Increase in incarceration and parole costs	\$0	(Unknown less than \$100,000)	(Unknown less than \$100,000)
<u>Loss - Department of Health and Senior Services</u>			
Reduction in licensing revenue	\$0	\$0	(\$2,350)

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
(continued)			
<u>Transfer-Out - County Treasurers</u>			
Transfer-out of penalties collected	(Unknown)	(Unknown)	(Unknown)
Transfer-out of penalties collected	<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	<u>(\$54,311)</u>	<u>(Unknown less than \$112,902)</u>	<u>(Unknown less than \$114,041)</u>
Estimated Net FTE Change for General Revenue Fund	1.0 FTE	1.0 FTE	1.0 FTE
TATTOO FUND			
<u>Income - DIFP</u>			
License fee revenue	<u>\$3,700</u>	<u>\$3,700</u>	<u>\$3,700</u>
ESTIMATED NET EFFECT ON TATTOO FUND	<u>\$3,700</u>	<u>\$3,700</u>	<u>\$3,700</u>
CRIMINAL RECORDS FUND			
<u>Income - Missouri State Highway Patrol</u>			
Fingerprinting fees (Sections 324.1100 - 324.1148)	<u>\$0</u>	<u>\$8,400</u>	<u>\$256</u>
ESTIMATED NET EFFECT ON CRIMINAL RECORDS FUND	<u>\$0</u>	<u>\$8,400</u>	<u>\$256</u>

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
ATHLETIC FUND			
<u>Income - DIFP (Sections 317.007 - 317.019)</u>			
License fees	\$0	\$16,550	\$37,740
Gate tax revenue	<u>\$0</u>	<u>\$47,500</u>	<u>\$47,500</u>
Total <u>Income</u> - DIFP	<u>\$0</u>	<u>\$64,050</u>	<u>\$85,240</u>
<u>Costs - DIFP</u>			
Inspector training	\$0	(\$27,414)	(\$28,237)
Event reimbursement	<u>\$0</u>	<u>(\$11,742)</u>	<u>(\$12,094)</u>
Total <u>Cost</u> - DIFP	<u>\$0</u>	<u>(\$39,156)</u>	<u>(\$40,331)</u>
ESTIMATED NET EFFECT ON ATHLETIC FUND	<u>\$0</u>	<u>\$24,894</u>	<u>\$44,909</u>
HEARING INSTRUMENT SPECIALIST FUND			
<u>Transfer-in - Board of Registration for the Healing Arts Fund (Sections 345.015 - 346.110)</u>			
Transfer-in for reduction in application and renewal fees	\$0	\$60,200	\$0
<u>Loss - DIFP</u>			
Reduction in application and renewal fees	<u>\$0</u>	<u>(\$60,200)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HEARING INSTRUMENT SPECIALIST FUND	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND			
<u>Income - DIFP (Sections 345.015 - 346.110)</u>			
Increase in licensing fees	\$0	\$60,200	\$0
<u>Transfer-Out - Hearing Instrument Specialist Fund</u>			
Transfer-out for reduction in application and renewal fees	<u>\$0</u>	<u>(\$60,200)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON BOARD OF REGISTRATION FOR THE HEALING ARTS FUND			
	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>
PRIVATE INVESTIGATOR EXAMINERS FUND			
<u>Transfer-In - DIFP (Sections 324.1100 - 324.1148)</u>			
Transfer from PR Fees Fund	\$110,763	\$0	\$0
<u>Income - DIFP</u>			
Licensure fees/renewals	\$0	\$299,250	\$9,120
<u>Costs - DIFP</u>			
Personal service costs (1.5 FTE)	(\$50,236)	(\$61,944)	(\$66,650)
Fringe benefits	(\$22,737)	(\$28,036)	(\$30,166)
Equipment and expense	(\$33,706)	(\$25,315)	(\$26,013)
AGO and AHC costs	<u>(\$4,084)</u>	<u>(\$5,048)</u>	<u>(\$5,199)</u>
Total Costs - DIFP	<u>(\$110,763)</u>	<u>(\$120,343)</u>	<u>(\$128,028)</u>
FTE Change - DIFP	1.5 FTE	1.5 FTE	1.5 FTE
ESTIMATED NET EFFECT ON PRIVATE INVESTIGATOR EXAMINERS FUND			
	<u>\$0</u>	<u>\$178,907</u>	<u>(\$118,908)</u>
Estimated Net FTE Change for Private Investigator Examiners Fund	1.5 FTE	1.5 FTE	1.5 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
LOCAL GOVERNMENTS - COUNTY PROSECUTORS			
<u>Costs - County Prosecutors</u>			
Increase in criminal prosecutions	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - COUNTY PROSECUTORS			
	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>

FISCAL IMPACT - Small Business

The proposal will impact small businesses in any of the professions included in this proposal.

FISCAL DESCRIPTION

This proposal changes the laws regarding the licensure of certain professions in the Division of Professional Registration within the Department of Insurance, Financial Institutions, and Professional Registration.

PROFESSIONAL LICENSE RENEWAL

Deaf interpreters, occupational therapists, occupational therapy assistants, clinical perfusionists, dietitians, massage therapists, interior designers, acupuncturists, tattooists, body piercers, and branders are added to the list of licensed professionals who are allowed to extend their license renewal with the division while on active military duty until within 60 days after completing their service.

CHRONIC KIDNEY TASK FORCE

The Chronic Kidney Task Force is established to educate the public and health care professionals on the advantages and methods of early screening, diagnosis, and treatment of chronic kidney disease.

FISCAL DESCRIPTION (continued)

MIXED MARTIAL ARTS

The proposal changes the laws regarding the regulation of mixed martial arts, full-contact karate, boxing, kickboxing, and wrestling. The proposal: (1) Defines "amateur," "boxing," "mixed martial arts," "full-contact karate," "kickboxing," and "wrestling"; (2) Redefines "combative fighting"; (3) Revises the definition of "bout" to include professional mixed martial arts; (4) Authorizes the division to establish rules governing amateur sanctioning bodies; (5) Allows a gross receipts tax to be assessed on pay-per-view telecasts of these events; (6) Limits the number of rounds and the time of each round for professional events; (7) Increases the length of the medical suspension for contestants who lose consciousness during a professional event from 120 to 180 days; (8) Expands the disciplinary authority of the Office of Athletics within the division; and (9) Requires contestants participating in boxing, kickboxing, wrestling, full-contact karate, or mixed martial arts to sign a bout contract with the event promoter before each contest which specifies their weight, how much they are being paid, and the date and location of the event.

PRIVATE INVESTIGATORS

The Board of Private Investigator Examiners is established within the division. No person can provide private investigative services without first being licensed. The proposal specifies the membership and duties of the board; exemptions from licensure; requirements for application and licensure; proof of liability insurance; training and written examinations; fees; background checks on applicants; the appeal process for the denial, suspension, or revocation of licenses; types and terms of licenses; and the procedure for applicants seeking reciprocity. Licensees are allowed to disclose to the board, any law enforcement agency, a prosecutor, or the licensee's own representative any information regarding a criminal offense or to instruct their clients to do so if they are victims of a criminal act. Licensees are prohibited from making false reports, presenting themselves as a state or federal officer, or manufacturing false evidence. Certain identifying evidence must be filed with the board by licensees. Private investigators or investigator agencies are required to maintain complete records of business transactions. Records may be confidentially examined by the board under certain circumstances.

ARCHITECTS, ENGINEERS, LAND SURVEYORS, AND LANDSCAPE ARCHITECTS

The Missouri Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects is authorized to impose civil penalties upon any person practicing these professions without a valid license, subject to an administrative action by the board.

FISCAL DESCRIPTION (continued)

Complaints must be filed with the Administrative Hearing Commission. If the commission finds that an unlicensed person has violated the provisions of the proposal, the board may issue a civil penalty not to exceed \$5,000 for each day of violation, with a maximum penalty of \$25,000. The person being fined has the right to appeal to a circuit court. Once the case is finalized, the Attorney General will commence an action to recover the penalty, including court costs, attorney fees, and surcharges.

The board is also authorized to assess reasonable costs and expenses incurred in conducting the investigation and administrative hearing and impose a civil penalty against a licensee after the commission has found a cause for discipline.

An unlicensed individual will be allowed to use a form of the word "engineer" without being subject to disciplinary action if the use of the term is reflective of his or her profession and does not imply that he or she is a professional engineer.

NURSES

The proposal changes the laws regarding the licensing of nurses. The proposal: (1) Establishes a lapsed and a retired license status; (2) Requires the notice of a disciplinary hearing before the State Board of Nursing to be served by certified mail. If this cannot be accomplished, the board may publish the notice in a local newspaper; (3) Authorizes the board to implement an impaired nurse program to promote early intervention and treatment of nurses who may be impaired by reasons of illness, substance abuse, or mental illness; (4) Allows the board to ask for an expedited hearing before the Administrative Hearing Commission if the board determines that a nurse has committed an act which is a clear and present danger to the public. Fifteen days after the complaint and after a preliminary hearing, the board may immediately restrict or suspend the license. Temporary authority to suspend a license becomes final if the nurse does not request a full hearing within 30 days; (5) Allows for the sealing of records if the board, commission, or a court of competent jurisdiction determines that a complaint does not constitute a violation of the Nursing Practice Act and is unsubstantiated; (6) Allows a person holding the title of advanced practice registered nurse to use the title or any other title appearing on his or her license; (7) Makes it unlawful for any unlicensed person to use the title of nurse; (8) Specifies that reports made to the board do not violate the federal Health Insurance Portability and Accountability Act because the board qualifies as a health oversight agency; (9) Defines "temporary nursing staffing agency" as any person, firm, partnership, or corporation doing business within the state that supplies, on a temporary basis, registered nurses or licensed practical nurses to a hospital, nursing home, or other facility; and (10) Allows a person listed as a Christian Science nurse in the Christian Science Journal to use the title Christian Science nurse.

FISCAL DESCRIPTION (continued)

REAL ESTATE COMMISSION

The Missouri Real Estate Commission is authorized to impose civil penalties upon a licensee for a violation of the real estate licensing regulations and also against an unlicensed person performing any acts for which a valid real estate license is required. Complaints must be filed with the Administrative Hearing Commission; and if the commission finds that a person has violated provisions of the proposal, the Missouri Real Estate Commission may issue a civil penalty, not to exceed \$2,500 for each day of violation.

NURSING HOME ADMINISTRATORS

The proposal changes the laws regarding licensure of nursing home administrators. The proposal: (1) Requires licensing fees to be paid to the Department of Health and Senior Services; (2) Prohibits an applicant for licensure who has failed three times the examination administered by the Missouri Board of Nursing Home Administrators from being licensed unless he or she has successfully completed the board-prescribed course of instruction and passed the examination; (3) Allows a temporary emergency license to be issued to an applicant whose licensing examination results have not been received by the board; (4) Authorizes the board to issue probationary licenses and to establish an inactive license for a licensee who requests it; (5) Allows the board to file a complaint with the Administrative Hearing Commission for violation of any provision of Chapter 198, RSMo, or rule established by the board; and (6) Requires that certain members of the board be citizens of the United States and reside in Missouri for at least one year prior to their appointment.

AUDIOLOGY AND HEARING INSTRUMENT FITTERS

The practice of audiology is expanded by adding the fitting, programming, and dispensing of assistive listening devices. Licensees who sell these devices are required to provide a purchase agreement to the buyer containing product information including the terms of sale, name of manufacturer, make, model, and current condition of the product.

The proposal also phases in educational requirements for applicants for instrument specialist licenses or specialist-in-training permits.

DECEPTIVE BUSINESS PRACTICES

The proposal prohibits any person from advertising or conducting a live musical performance in Missouri while using a false, deceptive, or misleading affiliation between the performing group

FISCAL DESCRIPTION (continued)

and the original recording group. The proposal does not apply when: (1) One member of the performing group was a member of the original recording group and has a legal right to advertise the affiliation; (2) The performance is identified as a tribute or salute to the original recording group; (3) The advertising does not relate to a performance to be held in Missouri; (4) The performing group has express authorization from the original recording group to use the affiliation; or (5) The performing group is an authorized registrant or owner of a trademark for the original recording group name.

The Attorney General or prosecuting attorney is authorized to bring an action for a temporary or permanent injunction against any person who is in violation of these provisions. Any person found in violation will be liable to the state for a civil penalty of \$5,000 to \$15,000 per violation and may be required to pay restitution to the original recording artist in an amount equal to the money acquired due to the false, deceptive, or misleading affiliation between the performing group and the original recording group.

The provisions regarding the mixed martial arts become effective July 1, 2008.

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 State Courts Administrator

Department of Insurance, Financial and Professional Regulation

Department of Health and Senior Services

Department of Corrections

Department of Revenue

Department of Social Services

Office of the Governor

Department of Public Safety -

Director's Office

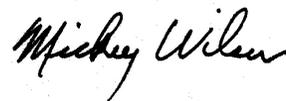
Missouri State Highway Patrol

Office of Prosecution Services

Office of Secretary of State

Office of State Public Defender

Office of State Treasurer



Mickey Wilson, CPA

Director

June 18, 2007