

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3597-01
Bill No.: HB 2233
Subject: Fire Protection; Licenses - Professional
Type: Original
Date: March 12, 2010

Bill Summary: This proposal establishes the requirements for licensure of fire protection employees and equipment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Fire Equipment Distributor Fund	\$80,369	\$81,790	\$78,547
Total Estimated Net Effect on Other State Funds	\$80,369	\$81,790	\$78,547

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Senate** state the proposal will have no fiscal impact or minimal costs which can be absorbed by present appropriations.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and 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 office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost 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 **Governor's Office** state no added costs are anticipated for the Governor's Office as a result of this bill. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Division of Fire Safety** state this legislation establishes a new program for the licensing and registration of fire protection equipment businesses and employees. A representative from the Missouri Association of Fire Equipment Distributors indicated there to be approximately 100 fire equipment distributor companies in the State of Missouri, and approximately 100 fire equipment distributor companies from out-of-state that would want to be registered in Missouri in order to be able to conduct business here. Additionally, there are approximately 1200 employees from in-state and another 300 from out-of-state who would desire Missouri licensure.

Officials anticipate the fees for the companies would be set at \$200, and \$100 for an employee, both will license annually. Therefore the fees from registering companies will generate approximately \$40,000, and fees from licensing employees will generate approximately \$150,000, for a total of \$190,000 to support the program.

Officials state based on this information, the Division would need to hire a full time Senior Office Support Assistant and a Fire Safety Inspector to process the applications, process fees, review the documentation, issue the registration certificates and licenses, conduct quality control, and investigate all complaints. Related expense and equipment funding would also be requested. Total costs would be \$109,631 for FY 2011, \$108,210 for FY 2012, and \$111,453 for FY 2013. However, the fees set by rule would offset this expense. The certification/licensing fees would generate approximately \$190,000 annually.

Oversight assumes the Fire Equipment Distributor Fund will support the administration of the program.

The following fire districts did not respond to our request for fiscal impact: **Boone County Fire District, Central County Fire and Rescue, Centralia Fire Department, Creve Coeur Fire District, DeSoto Rural Fire Protection District, Hawk Point Fire Protection District, Hillsboro Fire Protection, Lake Saint Louis Fire District, Mehlville Fire District, Nixa Fire Protection District, and Southern Iron County Fire Protection District.**

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
FIRE EQUIPMENT DISTRIBUTOR FUND			
<u>Income</u> - Fire Equipment Distributor Fund			
Fees collected from applications for licensing or certification	\$190,000	\$190,000	\$190,000
<u>Expense</u> - Fire Equipment Distributor Fund			
The Division of Fire Safety would require two employees to administer the program	(\$109,631)	(\$108,210)	(\$111,453)
ESTIMATED NET EFFECT TO FIRE EQUIPMENT DISTRIBUTOR FUND	<u>\$80,369</u>	<u>\$81,790</u>	<u>\$78,547</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Fire Protection Equipment businesses and certain employees' of the distributor will be required to be licensed or certified in order to conduct business in the State of Missouri.

FISCAL DESCRIPTION

This act, establishes the requirements for licensure of fire protection employees and fire equipment distributors and creates the Fire Equipment Distributor Fund.

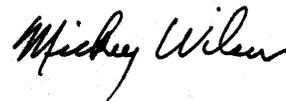
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Senate
Office of Secretary of State
Department of Public Safety
-Fire Safety Division
Governor's Office

NOT RESPONDING

Fire Districts of: Boone County Fire District, Central County Fire and Rescue, Centralia Fire Department, Creve Coeur Fire District, DeSoto Rural Fire Protection District, Hawk Point Fire Protection District, Hillsboro Fire Protection, Lake Saint Louis Fire District, Mehlville Fire District, Nixa Fire Protection District, Southern Iron County Fire Protection District



Mickey Wilson, CPA

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