

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4322-06
Bill No.: Truly Agreed To and Finally Passed SS for SCS for HCS for HB 1094
Subject: Credit and Bankruptcy; Telecommunications; Administration, Office of; State
 Departments
Type: Original
Date: May 30, 2012

Bill Summary: This proposal changes the law regarding certain financial transactions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Missouri Revolving Information Technology Trust Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 37.007 State Payment System

Officials at the **Alcohol & Tobacco Control, Capitol Police, Department of Conservation, Department of Economic Development, Department of Health and Senior Services, Department of Higher Education, Department of Labor and Industrial Relations, Department of Revenue, Department of Social Services, Fire Safety, Missouri Highway Patrol, Missouri Veterans Commission, Office of Administration, Office of Attorney General, Office of State Courts Administrator, Office of the State Auditor, Office of the State Public Defender, Office of State Treasurer** and the **State Emergency Management Agency** assume there is no fiscal impact from this proposal.

Officials at the **Department of Elementary and Secondary Education** assume right now there is a statewide vendor who we work with to accept GED and teacher certification credit card payments; the vendor supplies us with the revenue each day and we deposit it into the state system. To make this mandatory for all programs would require quite a lot of work on each program's account to get it set up. Payments are mostly made electronically. All payroll except hourly folks get an ACH. Vendors mostly get an ACH unless they are new or changing their bank statements. If mandated, then it would just be a matter of getting all vendors to complete the vendor banking information form. Therefore, it would take a lot of time and effort for staff to implement this; but there would appear to be no fiscal impact.

Officials at the **Department of Mental Health** assume it is difficult to estimate a fiscal impact; however, depending on how this legislation is implemented, it could have either very little fiscal impact to the department or a significant fiscal impact. If the use of the commercial card for payments is implemented and made mandatory, agencies could see an increased cost of goods and services as vendors pass that expense on to their customers. Also, if a third party contractor is utilized to process the electronic receipts, it is unknown how their fees will be structured. It is impossible to anticipate the potential cost to the state agencies without knowing how the contract and fee structure are implemented; therefore, the fiscal impact is an unknown cost.

Officials at the **Department of Natural Resources (DNR)** assume the department currently accepts credit card payments from customers for services or commodities, but not in all cases. The department pays credit card vendor fees, which are sometimes passed on to the customer. It is unclear how the department will not incur additional fees for utilizing payment methods indicated in the proposed legislation, but the department assumes that zero additional cost will be incurred over and above the fees currently paid.

ASSUMPTION (continued)

DNR assumes resources from the commissioner of the Office of Administration will be used to establish the statewide commercial payments system or contract.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration** assume this proposal could be handled with existing resources, however should cost be more than anticipated, the department would request an increase in 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.

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.

Section 37.920 Revolving IT Trust Fund

Officials at the **Office of Administration** and **Office of State Treasurer** assume there is no fiscal impact from this proposal.

Oversight assumes all moneys received in this fund will be used by Office of Administration's Information Technology Services Division, for equipment and services, and the fund will net to zero.

Section 205.042 County Health Departments

Officials at the **Harrison County Health Department, Tri-County Health Department, Shelby County Health Department** and the **Reynolds County Health Center** assume there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Officials at the at the following health departments: Adair County Health Department, Audrain County Health Unit, Boone County Dept of Public Health and Human Services, Cass County Health Department, Henry County Health Center, Jefferson County Health Department, Linn County Health Department, Madison County Health Department, McDonald County Health Department, Miller County Health Center, Morgan County Health Center, Nodaway County Health Center, Platte County Health Department, Putnam County Health Department, Randolph County Health Department, Ripley County Health Center, St Francois County Health Center did not respond to **Oversight's** request for fiscal impact.

Oversight assumes this proposal is permissive and would not have an impact on state or local funds.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**MISSOURI REVOLVING
 INFORMATION TECHNOLOGY
 TRUST FUND**

<u>Revenue</u> - various state agencies	Unknown	Unknown	Unknown
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<u>Cost</u> - OA-ITSD equipment and expenses	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 MISSOURI REVOLVING
 INFORMATION TECHNOLOGY
 TRUST FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small businesses may be effected by the new payment system.

FISCAL DESCRIPTION

This bill requires the Commissioner of the Office of Administration to develop and implement within six months of August 28, 2012, a statewide system or to contract with a third party to allow all state agencies and departments to accept electronic payments as designated by the commissioner. State agencies and departments cannot incur any additional fees for utilizing the payment methods.

Currently, funds received by a county health center can only be paid out on a warrant ordered drawn by the treasurer of the board of trustees upon properly authenticated vouchers of the board of health center trustees. The bill allows the funds to also be paid through an electronic funds transfer system in an amount approved by its trustees.

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

Alcohol & Tobacco Control
Capitol Police
Department of Conservation
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Revenue
Department of Social Services
Fire Safety
Harrison County Health Department
Missouri Highway Patrol
Missouri Veterans Commission
Office of Administration
Office of Attorney General
Office of the Secretary of State
Office of State Courts Administrator
Office of the State Auditor

JH:LR:OD

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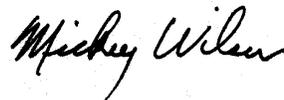
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SOURCES OF INFORMATION (continued)

Office of the State Public Defender
Office of State Treasurer
Reynolds County Health Center
Shelby County Health Department
State Emergency Management Agency
Tri-County Health Department



Mickey Wilson, CPA
Director
May 30, 2012

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