

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3563-03
Bill No.: HCS for HB 985
Subject: Economic Development Dept: Licenses - Professional; Property, Real and Personal
Type: Original
Date: March 10, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Public Defender, Department of Public Safety - Missouri State Highway Patrol, Department of Revenue, Department of Economic Development - Division of Professional Registration, Office of State Treasurer and the Office of Administration – Division of Design and Construction and Administrative Hearing Commission** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** stated there would be no fiscal impact on the Courts resulting from this proposal.

Officials from the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Economic Development - Real Estate Commission could require as many as 16 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. 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 actual costs could be more or less the SOS's estimated cost of \$984 for

ASSUMPTION (continued)

FY 2005. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal contains the following provisions pertaining to the practice of real estate:

- (1) Adds Internet web sites to the licensing exemption, when in the case of advertising real estate, the advertising is incidental to their normal business operations;
- (2) Removes the requirement of having on file with the Real Estate Commission a certified copy of a currently effective statement of record from the Office of Interstate Land Sales when land developers sell their own property;
- (3) Allows the commission to issue temporary work permits to individuals who have satisfied all licensing requirements prior to the final review and printing of their licenses;
- (4) Grants entities providing continuing education the authority to do so through the means of

DESCRIPTION (continued)

distance delivery;

(5) Gives the commission the authority, when conducting investigations of complaints involving affiliated licensees, to forward copies of the information regarding the complaint to the affiliated licensee's broker;

(6) Gives the commission authority, when a licensee fails to renew or surrender his or her license and the commission finds the licensee to be in violation of certain provisions, to cause complaints to be filed with the Administrative Hearing Commission;

(7) Increases the maximum amount of compensation each member of the commission may receive from \$50 to \$75;

(8) Requires designated brokers who have affiliated licensees to adopt a written policy describing their relationships in regard to their real estate activities; and

(9) Repeals the provisions relating to escrow agents.

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 Design and Construction
Office of State Courts Administrator
Department of Economic Development
 Division of Professional Registration
Department of Revenue
Department of Public Safety
 Missouri State Highway Patrol
Office of State Special Defender
Office of State Treasurer
Office of Secretary of State
 Administrative Rules Division

DID NOT RESPOND

Office of Prosecution Services



Mickey Wilson, CPA
Director
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