

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4145-01
Bill No.: HB 1424
Subject: Economic Development Dept: Entertainment, Sports and Amusements; Licenses - Professional
Type: Original
Date: March 1, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Up to \$14,481)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(Up to \$14,481)	\$0	\$0

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

Offsetting income and expenses expected to be less than \$100,000

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

The following agencies and universities indicated this proposal would have no fiscal impact on their agencies or institutions: **Department of Revenue, Department of Public Safety - Missouri State Highway Patrol, Office of State Public Defender, Coordinating Board for Higher Education, Department of Corrections, Office of State Treasurer, Truman State University, Central Missouri State University, Southwest Missouri State University, and the University of Missouri System.**

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

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

Officials from the **Office of Prosecution Services** indicated that any costs to prosecutors could be absorbed.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Economic Development - Division of Professional Registration could require as many as 30 pages in the *Code of State Regulations*. For any given rule, roughly

ASSUMPTION (continued)

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 \$1,845 for 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.

Officials from the **Department of Economic Development - Division of Professional Registration (DPR)** assume that since the certification and regulation of athletic agents is already established within the Office of Secretary of State (SOS), the necessary appropriation and fund amount will be transferred from the Secretary of State to the Division of Professional Registration. The division assumes that this appropriation amount will include, at a minimum, the necessary expense and equipment to cover expenses. It is assumed that DPR can assume the personal service duties associated with the proposal. **Oversight** assumes other expenses of the program would be offset with fees generated from athlete agents.

Officials from the **Office of Secretary of State** indicated that there are currently 22 active athlete agents and 27 inactive agents. Duties associated with the registration of athlete agents are primarily absorbed within existing resources. The maximum amount of revenue generated would be \$24,500 in any year. The \$500 fee is biennial but **Oversight** cannot estimate how much is collected in any given year.

Officials from the **Office of Attorney General** assume this proposal will create an additional category of professional registration within the Division of Professional Registration. AGO assumes that it would need ½ Assistant Attorney General I to assist the Director of the Division in the rule-making process and represent the Division in licensing matters before the Administrative Hearing Commission.

Oversight assumes the AGO will be reimbursed for services from the Athlete Agent Fund.

Lincoln University and **Southeast Missouri State University** did not respond to our request for fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Savings</u> - Office of Secretary of State			
Reduction in Personal Services (½ FTE)	\$7,026	\$0	\$0
Reduction in Benefits	\$2,843	\$0	\$0
Reduction in Expense	<u>\$150</u>	<u>\$0</u>	<u>\$0</u>
Total Savings - Office of Secretary of State	\$10,019	\$0	\$0
<u>Loss</u> - Registration Fees from Athlete Agents	<u>(Up to \$24,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Up to \$14,481)</u>	<u>\$0</u>	<u>\$0</u>
ATHLETE AGENT FUND			
<u>Income</u> - Professional Registration (DPR) Registration Fees from Athlete Agents	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000
<u>Cost</u> - DPR Administrative Costs	(Unknown - Expected to be less than <u>\$100,000</u>)	(Unknown - Expected to be less than <u>\$100,000</u>)	(Unknown - Expected to be less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON ATHLETE AGENT FUND	<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

Small businesses with professional agents representing athletes could be fiscally impacted by this proposal.

DESCRIPTION

This proposal requires all athlete agents operating in this state to be registered and certified by the Division of Professional Registration. Fees for registration and renewal will be set by the division and deposited into the Athlete Agent Fund, which is created by the bill. Registration and certification are valid for a two-year period and may be renewed indefinitely. The division director may refuse to issue a certificate or may suspend or revoke a certificate because of the following circumstances:

- (1) The applicant has been convicted of a crime of moral turpitude;
- (2) The applicant made false statements on the application;
- (3) The applicant has had a similar license suspended or revoked in another state; or
- (4) The applicant has caused a student-athlete to be suspended from or to be ineligible for any interscholastic or intercollegiate athletic event.

The proposal requires all contracts between agents and athletes to be written and contain certain information, including the basis for the agent's fee and a notice warning the student-athlete about the possible loss of eligibility.

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
Coordinating Board for Higher Education
Office of Administration
Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development
Division of Professional Registration
Department of Revenue

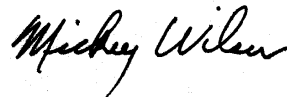
LMD:LR:OD (12/02)

SOURCES OF INFORMATION (Continued)

Department of Public Safety
Missouri State Highway Patrol
Office of Secretary of State
Administrative Rules Division
Office of State Public Defender
Department of Corrections
Southwest Missouri State University
Truman State University
University of Missouri System
Central Missouri State University

NOT RESPONDING

Lincoln University
Southeast Missouri State University



Mickey Wilson, CPA
Director
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