

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4518-01
Bill No.: HB 1617
Subject: Banks and Financial Institutions: Secretary of State; Securities
Type: Original
Date: March 15, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

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 4 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 following agencies indicated this proposal would have no fiscal impact on their agencies: **Office of State Public Defender, Department of Economic Development - Division of Finance and Division of Credit Unions, Office of Secretary of State - Securities Division.**

Officials from the **Office of Prosecution Services** stated any costs to prosecutors resulting from this proposal could be absorbed.

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

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

Officials from the **Department of Corrections** indicated a cost of less than \$100,000 per year.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Secretary of State, Commissioner of Securities, could require as many as 8 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are

ASSUMPTION (continued)

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 \$492 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.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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GENERAL REVENUE FUND

<u>Cost - Department of Corrections - Incarceration Costs</u>	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
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**ESTIMATE NET EFFECT ON
GENERAL REVENUE FUND**

<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal creates the crime of obstruction of a securities administrative proceeding or investigation. The crime is punishable by a fine of up to \$1 million, imprisonment for up to

DESCRIPTION (continued)

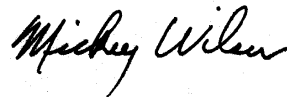
10 years, or both. The crime is committed when a person alters, destroys, conceals, or withholds any record requested by the Commissioner of Securities in the Office of Secretary of State with the intent of obstructing, evading, or influencing:

- (1) An investigation of a suspected securities violation; or
- (2) The administration of any other proceeding involving the regulation of securities.

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

Department of Economic Development
 Division of Finance
 Division of Credit Unions
Office of Secretary of State
 Administrative Rules Division
 Securities Division
Office of Prosecution Services
Office of State Public Defender
Department of Corrections
Office of State Courts Administrator
Office of Attorney General



Mickey Wilson, CPA
Director
March 15, 2004