

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4518-02  
Bill No.: HCS for HB 1617 with SSA for SA 1  
Subject: Banks and Financial Institutions: Secretary of State; Securities  
Type: Original  
Date: May 6, 2004

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**FISCAL SUMMARY**

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

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

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
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

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#### FISCAL ANALYSIS

##### ASSUMPTION

Officials from the **Office of Secretary of State - Securities Division** indicated this proposal would have no fiscal impact on their agency.

In response to an earlier version of this proposal (HCS/HB 1617, FN 4518-02), officials from the **Office of State Public Defender** and the **Department of Economic Development - Division of Finance and Division of Credit Unions** stated this proposal would have no fiscal impact on their agencies.

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** stated that due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year.

ASSUMPTION (continued)

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 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
<b>GENERAL REVENUE FUND</b>			

<u>Cost - Department of Corrections - Incarceration Costs</u>	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
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<b>ESTIMATE NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

LMD:LR:OD (12/02)

DESCRIPTION (continued)

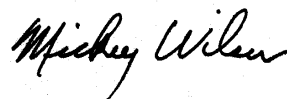
This proposal creates the crime of obstruction of a securities administrative proceeding or investigation. The crime is punishable by a fine of up to \$500,000, imprisonment for up to 10 years, or both. The crime is committed when a person alters, destroys, conceals, or withholds any record requested 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  
May 6, 2004