

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4964-01
Bill No.: HB 1758
Subject: Architects; Economic Development Dept.; Engineers; Licenses - Professional
Type: Original
Date: April 25, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund*	\$0*	\$0*	\$0*

* Collected penalties and distributions to county treasurers nets to \$0.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> 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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** and **Office of Secretary of State (SOS) - Division of Business Services** assume the proposal will have no fiscal impact on their organizations.

Officials from the **SOS - Administrative Rules Division** state the fiscal impact for this proposal to the SOS for administrative rules is less than \$1,500. The SOS does not expect additional funding would be required to meet these costs. However, the SOS 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 its 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.

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

Officials from the **Department of Economic Development - Division of Professional Registration** state having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), they are of the opinion the proposal, in its present form, has no fiscal impact on their organization.

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY 03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender per year).

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of Attorney General (AGO)** state the proposal allows the Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects to review and file complaints against licensees with the Administrative Hearing Commission, and issue orders imposing civil penalties. The Board is given investigative powers, including the authority to issue subpoenas.

The AGO assumes that it would need 0.5 FTE Assistant Attorney General (AAG) II to assist the Board in issuing and enforcing subpoenas, representation at administrative hearings and enforcing and recovering civil penalties.

The AGO estimates total FY 07 costs of \$31,876; FY 08 costs of \$34,404; and FY 09 costs of \$35,295.

Oversight assumes the AGO would not hire 0.5 FTE AAG II and would assign the duties to existing staff. **Oversight** also assumes any costs incurred by the AGO would be reimbursed by the Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects. In addition, the AGO may commence an action to recover reasonable attorney fees.

Oversight notes that penalties collected as a result of violations are to be paid to the county treasurer (section 327.077.8).

FISCAL IMPACT - State Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

GENERAL REVENUE FUND

<u>Income - Civil Penalties Collected</u>	Unknown	Unknown	Unknown
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Transfer-Out - County Treasurers

Transfer-out of penalties collected for distribution to schools	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON GENERAL REVENUE*

	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>
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* Collected penalties and distribution to county treasurers nets to \$0.

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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LOCAL GOVERNMENTS - SCHOOLS

Income - County Treasurers

Transfer-in of penalties collected for insurance infractions	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - SCHOOLS

<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Small Business

This proposal may impact small businesses if they are investigated and incur penalties.

DESCRIPTION

This proposal authorizes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects to impose civil penalties upon any person practicing these professions without a valid license, subject to an administrative action by the board.

Complaints must be filed with the Administrative Hearing Commission. If the commission finds that an unlicensed person has violated the provisions of the proposal, the board may issue a

DESCRIPTION (continued)

civil penalty not to exceed \$5,000 for each day of violation, with a maximum penalty of \$25,000. The person being fined has the right to appeal to a circuit court. Once the case is finalized, the Attorney General will commence an action to recover the penalty, including court costs, attorney fees, and surcharges.

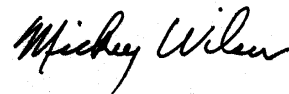
The board is also authorized to assess reasonable costs and expenses incurred in conducting the investigation and administrative hearing and impose a civil penalty against a licensee after the commission has found a cause for discipline.

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 State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Corrections
Office of Secretary of State -
 Division of Business Services
 Administrative Rules Division

NOT RESPONDING: Office of Prosecution Services and Office of State Public Defender



Mickey Wilson, CPA
Director
April 25, 2006