

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5683-01
Bill No.: HB 2064
Subject: Business and Commerce; Crimes and Punishment
Type: Original
Date: April 5, 2006

FISCAL SUMMARY

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General (AGO)** assume that any additional litigation arising from this legislation could be absorbed with existing resources. However, in the event of multiple lawsuits filed relating to this legislation, the AGO may seek additional appropriations to adequately represent the state in these cases.

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact the courts.

Officials from the **Department of Corrections (DOC)** state this bill, if passed into law, regulates sexually-oriented businesses. Penalty provisions for violations, the component of the bill to have potential fiscal impact for DOC, is for a class A misdemeanor.

Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments 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

ASSUMPTION (continued)

provided by the Board of Probation and Parole (FY03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender).

In summary, 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.

In response to a similar proposal from this year (HB 2047), officials from the **Department of Public Safety - Director's Office, Missouri Highway Patrol, Missouri Water Patrol and Alcohol and Tobacco Control** each assumed the proposal would not fiscally impact their respective agencies.

Also in response to a similar proposal from this year (HB 2047), officials from the **City of Springfield** stated that since the bill does not require cities to enter its regulatory scheme and it does not have a preemption clause, there is not fiscal impact on the City of Springfield.

Officials from the **Office of Prosecution Services, Office of the State Public Defender, City of Kansas City** and the **City of St. Louis** did not respond to our request for fiscal impact.

Oversight assumes that since Section 67.2554 allows counties, cities, towns and villages to licenses sexually oriented businesses, Oversight will reflect the possibility of local political subdivisions collecting license fee revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

COUNTIES AND CITIES

Income - license fee for sexually oriented businesses from Section 67.2554 \$0 to Unknown \$0 to Unknown \$0 to Unknown

**ESTIMATED NET EFFECT TO
LOCAL POLITICAL SUBDIVISIONS** **\$0 to Unknown** **\$0 to Unknown** **\$0 to Unknown**

FISCAL IMPACT - Small Business

Small businesses that are considered Sexually Oriented Businesses would be fiscally impacted by various aspects of this proposal.

DESCRIPTION

This bill allows any county, city, town, or village to establish an ordinance requiring sexually oriented businesses to be licensed. No license will be issued to any person who has been found guilty of or pled guilty to a felony or misdemeanor relating to any sexual offense under Chapter 566, RSMo, or obscenity offense under Chapter 573. A sexually oriented business cannot employ a person younger than 21 years of age or receive a license to sell intoxicating liquor or nonintoxicating beer. Any person who employs an individual younger than 21 years of age will be guilty of a class A misdemeanor.

The legislative body of all counties, cities, towns, and villages is authorized to regulate and restrict the location of sexually oriented businesses.

Any person who erects, establishes, continues, maintains, uses, owns, or leases any building or other place for the purpose of lewdness, assignation, sexual contact for pay, or any unlawful prostitution activity will be guilty of maintaining a public nuisance and will be punished by a fine not to exceed \$1,000, imprisonment in the county jail for a period not to exceed one year, or both.

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 Public Safety
Office of the State Courts Administrator
Department of Corrections
Office of the Adjutant General

**NOT RESPONDING: Office of Prosecution Services, Office of the State Public Defender,
City of Kansas City, City of St. Louis**

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 5, 2006