

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0558-01  
Bill No.: HB 482  
Subject: Business and Commerce: Crimes and Punishment  
Type: Original  
Date: February 20, 2007

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Bill Summary: Changes the punishment for counterfeiting and requires forfeiture of counterfeit goods, the materials and implements used to produce them, and the property used in the commission of the crime.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	(Expected to be less than \$100,000)	(Expected to be less than \$100,000)	(Expected to be less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Expected to be less than \$100,000)</b>	<b>(Expected to be less than \$100,000)</b>	<b>(Expected to be less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

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

Officials from the **Office of State Courts Administrator** state this proposal has no fiscal impact on the Courts.

Officials from the **Office of the State Public Defender (SPD)** assume existing staff could not provide competent, effective representation for any cases arising where indigent persons are faced with the enhanced penalties for counterfeiting. SPD assumes this new crime will require more SPD resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional appropriations for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

**Oversight** assumes the SPD could absorb the costs of the proposed legislation within existing resources. Oversight assumes any significant increase in the workload of the SPD would be reflected in future budget requests.

Officials from the **Department of Public Safety - Office of the Director** and **Missouri State Highway Patrol** and the **Department of Insurance, Finance, and Professional Regulation** state there is no fiscal impact to their respective agencies.

Officials from the **Office of Administration - Administrative Hearing Commission** state there is no fiscal impact to the Commission.

Officials from the **Office of Prosecution Services (OPS)** state that in the absence of estimates as to the number of increased cases that would be referred to County Prosecutors for charges because of this proposed legislation, it is difficult to determine if this proposal would have a significant direct fiscal impact on county prosecutors or OPS. It is presently assumed, in the absence of such estimates, that there would not be a significant number of cases referred for prosecution and therefore prosecutors would not experience a significant direct fiscal impact.

Currently, officials from the **Department of Corrections (DOC)** cannot predict the number of new commitments which may result from the enhancement of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual

ASSUMPTION (continued)

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 either through incarceration (FY06 average of \$39.43 per inmate, per day or an annual cost of \$14,394 per inmate) or through supervision provided by the Board of Probation and Parole (FY06 average of \$2.52 per offender, per day or an annual cost of \$920 per offender).

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Seven (7) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new enhancement, it is assumed the impact would be less than \$100,000 per year for the DOC.

DOC records indicate no counterfeiting admissions in FY 06 and only one release from prison for a first counterfeiting offense.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE</b>			
<u>Cost - DOC - Incarceration and/or Probation and Parole expenses</u>	(Expected to be less than \$100,000)	(Expected to be less than \$100,000)	(Expected to be less than \$100,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Expected to be less than \$100,000)</u></b>	<b><u>(Expected to be less than \$100,000)</u></b>	<b><u>(Expected to be less than \$100,000)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

### FISCAL DESCRIPTION

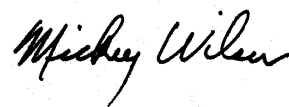
The proposed legislation assigns the following penalties for crimes involving counterfeiting:

- (1) Makes a counterfeiting offense involving less than 100 items or services valued at \$1,000 or less a class A misdemeanor;
- (2) Increases the penalty for a counterfeiting offense involving 100 to 1,000 items or services valued at \$1,000 to \$10,000 from a class D felony to a class C felony;
- (3) Increases the penalty for a counterfeiting offense when the person has been previously convicted two or more times, the violation involves 1,000 or more items or services valued at \$10,000 or more, or the person knowingly or recklessly causes or attempts to cause the physical injury of another person from a class C felony to a class B felony; and,
- (4) Adds the penalty of a class A felony if the person knowingly or recklessly causes or attempts to cause the serious physical injury or death of another person in the commission of any counterfeiting offense.

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 Administration  
Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Insurance, Finance, and Professional Regulation  
Department of Public Safety  
Office of State Public Defender  
Department of Corrections  
Office of Attorney General  
Office of Prosecution Services



Mickey Wilson, CPA

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