

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0700-01
Bill No.: HB 117
Subject: Architects; Economic Development Dept.; Engineers; Licenses - Professional
Type: Original
Date: February 7, 2007

Bill Summary: Authorizes the Missouri Board of Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects to impose civil penalties.

FISCAL SUMMARY

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

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

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

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

☐ 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (COA) - Information Technology Services Division, Office of State Courts Administrator, and Office of State Public Defender** assume the proposal will have no fiscal impact on their organizations.

Officials from the **COA - Administrative Hearing Commission** do not anticipate this proposal will significantly alter its caseload. However, if other similar bills also pass, there are more cases, or the cases are more complex, there could be a fiscal impact.

Officials from the **Office of Attorney General (AGO)** state the proposal authorizes the Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects to review and file complaints against licensees and non-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 the costs of this proposal could be absorbed with existing resources. However, if the number of complaints filed with the Board, particularly non-licensee complaints, becomes significant, the AGO may seek additional resources to handle the additional workload.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs 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 **Department of Insurance, Financial and Professional Regulation (DIFP)** state the purpose of the legislation is to authorize the Board of Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects, through the repeal of some sections and the enactment of others, to impose civil penalties.

The legislation also allows for the recovery of investigation and hearing expenses from those determined to have violated state laws or regulations. The amount of cost recovery received under this provision is unknown and cannot be estimated. Therefore, the DIFP is assuming this proposal will have no fiscal impact.

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 06 average of \$2.52 per offender, per day or an annual cost of \$920 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 Prosecution Services (OPS)** state any increase in the number of cases referred for criminal prosecution will have an additional fiscal impact on County Prosecutors. However, officials from the OPS are not aware of any estimates of the number of additional criminal cases that would be referred to County Prosecutors for charges because of this proposed legislation. Additionally, the OPS is not otherwise able to establish a workable estimate of the number of additional criminal cases that would be referred to County Prosecutors for charges. It is therefore, not possible to determine if this proposal would have a significant direct fiscal impact on county prosecutors or the OPS.

Oversight assumes the OPS and County Prosecutors would be able to absorb a minimal increase in costs. However, if there would be more cases than anticipated, the OPS could seek additional funding through the appropriations process.

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

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
---	---------------------	---------	---------

GENERAL REVENUE FUND

<u>Income - Civil Penalties Collected</u>	Unknown	Unknown	Unknown
---	---------	---------	---------

Transfer-Out - County Treasurers

Transfer-out of penalties collected for distribution to schools	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
--	------------------	------------------	------------------

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>
--	--------------------	--------------------	--------------------

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

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
---	---------------------	---------	---------

**LOCAL GOVERNMENTS -
SCHOOLS**

Income - County Treasurers

Transfer-in of penalties collected for insurance infractions	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
---	----------------	----------------	----------------

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENTS -
SCHOOLS**

<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
-----------------------	-----------------------	-----------------------

FISCAL IMPACT - Small Business

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

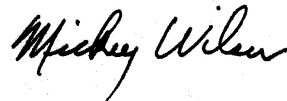
FISCAL DESCRIPTION

This proposal authorizes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects to impose civil penalties against licensed and unlicensed persons. Any person who practices architecture, engineering, land surveying, or landscape architecture without a valid license may be subject to an administrative action by the board to seek a civil penalty. The board can initiate investigations against the unlicensed person and can issue subpoenas to compel attendance and testimony of witnesses.

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
 Information Technology Services Division
Office of State Courts Administrator
Department of Insurance, Financial and Professional Regulation
Department of Corrections
Office of Prosecution Services
Office of Secretary of State
Office of State Public Defender

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

Mickey Wilson, CPA
Director
February 7, 2007