

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1052-01
Bill No.: HB 310
Subject: Economic Development Dept.; Licenses - Professional
Type: Original
Date: February 14, 2007

Bill Summary: Imposes a penalty for practicing real estate without a license.

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 5 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 less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

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

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

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** state the total fiscal impact of this proposal is unknown, but assumed to be less than \$100,000, since the number of violations are unknown. It is assumed the penalties will go to the Public Schools Fund.

Oversight notes the proposal does not specify where penalties collected from individuals found to be practicing real estate without a license are to be deposited. Per the Missouri Constitution, Article IX, section 7, penalties are to be deposited with county treasurers for distribution to schools.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Income - DIFP</u>			
Penalties collected for practicing real estate without a license	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000
<u>Transfer-Out - County Treasurers</u>			
Transfer-out of penalties collected	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</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.			

FISCAL IMPACT - Local Government

FY 2008
 (10 Mo.)

FY 2009

FY 2010

**LOCAL GOVERNMENTS -
 SCHOOLS**

Income - County Treasurers

Transfer-in of penalties collected

Unknown less
than \$100,000

Unknown less
than \$100,000

Unknown less
than \$100,000

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

Unknown less
than \$100,000

Unknown less
than \$100,000

Unknown less
than \$100,000

FISCAL IMPACT - Small Business

The proposal may impact a small business if it is determined to be in the practice of real estate and operating without a license.

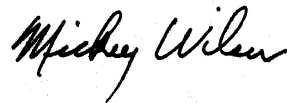
FISCAL DESCRIPTION

This proposal authorizes the Missouri Real Estate Commission to impose civil penalties upon any unlicensed person performing any acts for which a valid real estate license is required. Complaints must be filed with the Administrative Hearing Commission; and if the commission finds that a person has violated the provisions of the proposal, the Missouri Real Estate Commission may issue a civil penalty, not to exceed \$2,500 for each day of violation.

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
Department of Insurance, Financial and Professional Regulation

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

Mickey Wilson, CPA
Director
February 14, 2007