

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2038-03  
Bill No.: HCS for HB 833  
Subject: Economic Development Dept.; Licenses - Professional  
Type: Original  
Date: April 20, 2007

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Bill Summary: Revises law relating to tattoo practitioners and tattoo establishments.

**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	(\$40,711)	(\$50,320)	(\$54,179)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$40,711)</b>	<b>(\$50,320)</b>	<b>(\$54,179)</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>
Tattoo	\$3,700	\$3,700	\$3,700
Medical Imaging and Radiation Therapy Licensure	\$0	\$586,081	(\$236,313)
PR Fees	(\$205,880)	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$202,180)</b>	<b>\$589,781</b>	<b>(\$232,613)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 11 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
General Revenue	1	1	1
Medical Imaging and Radiation Therapy Licensure	3	3	3
<b>Total Estimated Net Effect on FTE</b>	<b>4</b>	<b>4</b>	<b>4</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 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

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## **FISCAL ANALYSIS**

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### ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Economic Development - Public Service Commission, Department of Revenue, Department of Public Safety (DPS) - Director's Office, DPS - Missouri State Highway Patrol, Office of the Governor, Office of State Public Defender, and Missouri Senate** assume the proposal will have no fiscal impact on their organizations.

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

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 either incarceration (FY 06 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 (FY 06 average of \$2.52 per offender, per day or an annual cost of \$920 per offender per year).

DOC assumes the narrow scope of the crime will not encompass a large number of offenders. The low felony status of the crime enhances the possibility of plea-bargaining or the imposition of a probation sentence. The probability also exists that offenders would be charged with a similar but more serious offence of that sentences may run concurrent to one another.

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 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.

ASSUMPTION (continued)

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 **Office of Prosecution Services (OPS)** state the proposal includes provisions for new criminal acts and, therefore, creates new obligations for prosecuting attorneys. Any increase in the number of cases referred for criminal prosecution will have an additional fiscal impact on County Prosecutors. However, the OPS is not able to establish an estimate of the number of additional criminal cases that would be referred to the County Prosecutors for charges because of this proposed legislation. It is therefore, not possible determine if the proposal would have a significant direct fiscal impact on county prosecutors of the OPS.

Officials from the **Office of State Treasurer (STO)** state this proposal provides that the state treasurer is to monitor the disbursements of the Manufactured Housing Consumer Recovery Fund in accordance with the provisions of section 30.170 and 30.180, RSMo. However, Sections 30.170 and 30.180, RSMo actually states the state treasurer may approve disbursements.

The STO only ensures the disbursements are made from a lawful appropriation and don't exceed the amount of the appropriation. As written, the proposal will result in the STO needing one (1) FTE Accounting Specialist I (\$39,324 annual salary) plus fringe benefits of \$17,762) to monitor disbursements. The STO estimates annual FY 08 costs of \$49,030; FY 09 costs of \$60,601; and FY 10 costs of \$62,418.

**Oversight** has, for fiscal note purposes only, changed the starting salary for the Accounting Specialist I to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** assume that 100 individuals and establishments will requests tattoo licenses at a fee of \$37 per license per year, thereby creating an increase in revenue of \$3,700 per year.

Based on a 2005 estimate from a search of Occupational Projections by the Department of Economic Development, Missouri Works, Labor Market Information, it is estimated that 7,237 individuals in the state will be required to apply for a Medical Imaging and Radiation Therapy license.

ASSUMPTION (continued)

It is assumed a registration/renewal fee of \$120 will be paid for all categories of licensure with biennial renewal. A 3% growth rate in licensees is estimated each year. It is further assumed licensure will begin in FY 09, with renewals beginning in FY11. Revenue to the Medical Imaging and Radiation Therapy Licensure Fund is projected to be \$868,440 (7,237 licensees x \$120) in FY 09 and \$26,040 (217 licensees x \$120) in FY10. It is assumed all fees collected and all expenses paid would be deposited into and paid out of the Medical Imaging and Radiation Therapy Licensure Fund. Expenses occurring prior to an appropriation (FY 09) would be borrowed from another fund within Professional Registration and paid back in FY 11.

It is assumed implementation of the proposal will require hiring an additional 3.0 FTE in FY 08 as follows: Principal Assistant - 1.0 FTE (\$59,532 annually) to serve as the senior executive officer of the agency; an Administrative Office Support Assistant -1.0 FTE ( \$25,248 annually) to provide administrative support to the director and assist with board meetings, complaints and discipline; and a Licensure Technician II - 1.0 FTE (\$23,916 annually) to provide technical support, process applications and respond to inquiries.

It is assumed the twelve (12) member board would meet four (4) times per year for two (2) days per meeting, in Jefferson City. The DIFP assumes there would be four (4) meetings in FY 08 to promulgate rules and regulations. It is estimated that each board member will receive reimbursement for expenses for each day conducting board business.

It is estimated that an annual cost of \$20,276 will be associated with the need of services from the Attorney General's Office (AGO) with board meetings, opinions, promulgation of rules and regulations, interpretation of legislation, litigation, etc., and an additional \$3,420 will be associated with the need of services from the Administrative Hearing Commission.

Expense and equipment costs for the Medical Imaging Board are based upon boards of similar size.

The sections pertaining to manufactured housing, real estate brokerage and the Elevator Safety board do not have any impact on DIFP.

Officials from the **Department of Health and Senior Services (DOH)** state currently there are 1,559 licensed nursing home administrators in Missouri. Approximately 886 of these individuals are working in skilled nursing facilities, intermediate care facilities, assisted living facilities, and residential care facilities that follow RCF II regulations. There are an additional 264 administrators (who may or may not be licensed nursing home administrators) who are working in residential care facilities. This leaves 409 licensees who are not using the license and may

ASSUMPTION (continued)

choose the inactive status. The Division of Regulation and Licensure (DRL) estimate that approximately 15% of the 409 (or 61) must maintain an active license due to their position with a nursing home corporation or who work as a consultant. That reduces the total to 348. Of the 348, based upon the history of non-renewals, approximately 160 licensees will choose to not renew the license for various reasons such as moving out of state, leaving the profession, etc, and most likely would not choose inactive status. That leaves 188 that are not using the license and may choose the inactive status. Of those remaining 188 licensees, the DLR estimates that approximately half, or 94, will elect the inactive status to avoid continuing education and licensure costs. If 94 licensees elect inactive status, they must pay the \$100 renewal fee for the initial inactive license and will pay a fee yet to be determined by rule every two years to renew the inactive license (for a maximum of 6 years).

Licensees are required to renew their license every two years, with approximately half of the licensees renewing in odd numbers years and half renewing in even number of years. Therefore, of the 94 licensees the DRL assumes will elect inactive status, approximately half (47) will apply for an inactive license in FY 08 and the other half (47) will apply for an inactive license in FY 09. The amount of fees collected in FY 08 and FY 09 would not change since the fee will be the same for the initial inactive license as the fee for an active license (\$100). Since the licensees will be required to renew their inactive license every two years, the first year the inactive licensees will be eligible for a reduced fee will be FY 10. Although it is yet to be determined, for this fiscal analysis, the DOH will assume the inactive renewal fee will be set at \$50 every two years. If the inactive renewal fee is set at \$50, and if 47 licensees choose to renew their inactive license in FY 10, the reduction for FY 10 will be \$2,350. The DRL assumes a loss of revenue at approximately this same amount for each year thereafter.

**This proposal will result in an increase in total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Office of State Treasurer</u>			
Personal service costs (1.0 FTE)	(\$28,026)	(\$34,641)	(\$35,680)
Fringe benefits	(\$12,685)	(\$15,679)	(\$16,149)
Total <u>Costs</u> - Office of State Treasurer	<u>(\$40,711)</u>	<u>(\$50,320)</u>	<u>(\$51,829)</u>
FTE Change - STO	1.0 FTE	1.0 FTE	1.0 FTE
<u>Loss - Department of Health and Senior Services</u>			
Reduction in licensing revenue	<u>\$0</u>	<u>\$0</u>	<u>(\$2,350)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$40,711)</u></b>	<b><u>(\$50,320)</u></b>	<b><u>(\$54,179)</u></b>
Estimated Net FTE Change for General Revenue Fund	1.0 FTE	1.0 FTE	1.0 FTE
<b>TATTOO FUND</b>			
<u>Income - DIFP</u>			
Licensure fees	<u>\$3,700</u>	<u>\$3,700</u>	<u>\$3,700</u>
<b>ESTIMATED NET EFFECT ON TATTOO FUND</b>	<b><u>\$3,700</u></b>	<b><u>\$3,700</u></b>	<b><u>\$3,700</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo)	FY 2009	FY 2010
<b>MEDICAL IMAGING AND RADIATION THERAPY LICENSURE FUND</b>			
<u>Transfer-In - DIFP</u>			
Transfer from PR Fees Fund	\$205,880	\$0	\$0
<u>Income - DIFP</u>			
Licensure fees/renewals	\$0	\$868,440	\$26,040
<u>Costs - DIFP</u>			
Personal service costs (3.0 FTE)	(\$92,845)	(\$114,199)	(\$117,054)
Fringe benefits	(\$42,022)	(\$51,686)	(\$52,979)
Equipment and expense	(\$50,737)	(\$92,778)	(\$68,624)
AGO and AHC	<u>(\$20,276)</u>	<u>(\$23,696)</u>	<u>(\$23,696)</u>
Total <u>Cost - DIFP</u>	<u>(\$205,880)</u>	<u>(\$282,359)</u>	<u>(\$262,353)</u>
FTE Change - DIFP	3.0 FTE	3.0 FTE	3.0 FTE
<b>ESTIMATED NET EFFECT ON MEDICAL IMAGING AND RADIATION THERAPY LICENSURE FUND</b>	<b><u>\$0</u></b>	<b><u>\$586,081</u></b>	<b><u>(\$236,313)</u></b>
Estimate Net FTE Change for Medical Imaging and Radiation Therapy Licensure Fund	3.0 FTE	3.0 FTE	3.0 FTE
<b>PR FEES FUND</b>			
<u>Transfer-Out - DIFP</u>			
Transfer to Medical Imaging and Radiation Therapy Licensure Fund	<u>(\$205,880)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON PR FEES FUND</b>	<b><u>(\$205,880)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>



FISCAL IMPACT - Local Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

**LOCAL GOVERNMENTS -  
COUNTY PROSECUTORS**

Costs - County Prosecutors

Increase in criminal prosecutions

\$0 to  
(Unknown)

\$0 to  
(Unknown)

\$0 to  
(Unknown)

**ESTIMATED NET EFFECT ON  
LOCAL GOVERNMENTS -  
COUNTY PROSECUTORS**

\$0 to  
(Unknown)

\$0 to  
(Unknown)

\$0 to  
(Unknown)

FISCAL IMPACT - Small Business

This proposal may impact small business tattoo practitioners and tattoo establishments by requiring businesses to meet licensing, educational and training requirements.

FISCAL DESCRIPTION

This proposal authorizes the Director of the Division of Professional Registration within the Department of Insurance, Financial Institutions, and Professional Registration to establish rules regarding the educational and training requirements for applicants to receive or renew a license to practice tattooing, branding, or body piercing.

The division is authorized to file complaints with the Administrative Hearing Commission for certain reasons specified in the proposal.

This proposal establishes the Medical Imaging and Radiation Therapy Quality Assurance Act of 2007. The proposal: (1) Establishes the Medical Imaging and Radiation Therapy Board of Examiners within the Division of Professional Registration in the Department of Insurance, Financial Institutions, and Professional Registration; (2) Requires all persons administering medical imaging and radiation therapy procedures to be licensed by the board; (3) Exempts physicians, veterinarians, dentists, chiropractors, podiatrists, registered nurses, and certain qualified persons currently practicing medical imaging and radiation therapy from licensure; (4) Establishes certain criteria to be met by applicants for licensure as radiographers, radiation therapists, nuclear medicine technologists, and dental radiographers; (5) Authorizes the board to certify programs for medical imaging and radiation therapy in medical facilities, dental facilities,

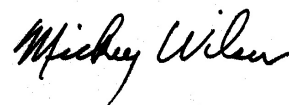
FISCAL DESCRIPTION (continued)

educational institutions, or other public or private institutions; (6) Authorizes the board to adopt rules; give examinations; waive examination requirements; establish continuing education; issue temporary permits; and renew, revoke, and suspend licenses; (7) Authorizes the board to investigate charges and allegations brought against licensees, issue subpoenas, hold hearings, render judgments, and hear appeals; and (8) Requires, beginning August 28, 2010, persons providing the technical component of diagnostic ultrasound services (sonography or vascular technology) to be credentialed or practice in an accredited laboratory.

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 -  
    Public Service Commission  
Department of Insurance, Financial and Professional Regulation  
Department of Corrections  
Department of Health and Senior Services  
Department of Revenue  
Department of Public Safety -  
    Director's Office  
    Missouri State Highway Patrol  
Office of the Governor  
Office of Prosecution Services  
Missouri Senate  
Office of Secretary of State  
Office of State Public Defender  
Office of State Treasurer



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