

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4262-05
Bill No.: SCS for HCS for HB 1700
Subject: Boards, Commissions, Committees, Councils; Health Care; Health Care Professionals; Physical Therapists; Licenses - Professional
Type: Original
Date: May 8, 2008

Bill Summary: Modifies the law relating to professional licensing and registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Board of Accountancy	(\$41,205)	(\$41,205)	(\$41,205)
Board of Registration for the Healing Arts	(Unknown exceeding \$75,348)	(Unknown exceeding \$75,348)	(Unknown exceeding \$75,348)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown exceeding \$116,553)	(Unknown exceeding \$116,553)	(Unknown exceeding \$116,553)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Economic Development (DED) - Office of Public Council, DED - Public Service Commission, Missouri Department of Transportation, Department of Corrections, Department of Social Services, Department of Public Safety (DPS) - Director's Office, DPS - Missouri State Highway Patrol, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, and Office of State Treasurer** 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 **Office of Administration (COA) - Administrative Hearing Commission** anticipate this legislation will not 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 Prosecution Services (OPS)** state the changes proposed in this legislation could potentially increase the number of cases referred to prosecuting attorneys for criminal charges, but it is assumed that any increase could be handled without significant direct fiscal impact on County Prosecutors.

It is further assumed the proposal would not have a significant direct fiscal impact on the OPS.

Officials from the **Office of Secretary of State (SOS)** state the proposal provides rulemaking authority to the Department of Insurance, Financial Institutions and Professional Registration in regard to the Board of Accountancy, Board of Pharmacy, Board of Healing Arts, the Board of Nursing, and the Public service Commission. These rules would be published in both the Missouri Register and Code of State Regulations. Based on experience with other divisions, the rules, regulation and forms issued by the various agencies could require as many as 57 pages in the Code of State Regulations and 86 pages in the Missouri Register. For any given rule, roughly half again as many pages are published in the Missouri Register because of cost statements and fiscal notes, etc. that are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The SOS estimates a total cost of \$3,517 [(86 pgs. X \$23) + (57 pgs. X \$27)]. These costs are estimates and depend on the number of rules printed, rescinded, and amended.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP) - Division of Professional Registration (DPR)** state the proposal allows out-of-state licensed Certified Public Accountants (CPAs) to have all the privileges of licensure in this state. The DPR anticipates the proposal will result in a decrease in the number of new applicants for licensure. The DPR estimates a decrease of approximately 491 applications annually, with a resulting decrease of \$41,205 in annual revenue going to the Board of Accountancy Fund.

Officials from the **Department of Revenue (DOR)** state Section 334.675 requires the DOR to collect a registration fee. Currently, the DOR does not collect any registration fees for the Board of Healing Arts. As such, this will require the creation of a new system to administer these payments. The fiscal impact is unknown, but believed to be greater than \$75,348.

Oversight assumes since the DOR will be collecting registration fees for the Board of Registration for the Healing Arts that costs incurred by the DOR to set up the new system and administer the payments, will be paid out of the Board of Registration for the Healing Arts Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
BOARD OF ACCOUNTANCY FUND			
<u>Loss - DIFP</u>			
Reduction in licensing revenue	<u>(\$41,205)</u>	<u>(\$41,205)</u>	<u>(\$41,205)</u>
ESTIMATED NET EFFECT ON BOARD OF ACCOUNTANCY FUND	<u>(\$41,205)</u>	<u>(\$41,205)</u>	<u>(\$41,205)</u>
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND			
<u>Costs - DOR</u>			
System implementation and registration costs to collect registration fees	<u>(Unknown exceeding \$75,348)</u>	<u>(Unknown exceeding \$75,348)</u>	<u>(Unknown exceeding \$75,348)</u>
ESTIMATED NET EFFECT ON BOARD OF REGISTRATION FOR THE HEALING ARTS FUND	<u>(Unknown exceeding \$75,348)</u>	<u>(Unknown exceeding \$75,348)</u>	<u>(Unknown exceeding \$75,348)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small business accounting firms if more out-of-state CPA's decide to practice in Missouri. In addition, the proposal may impact small business physical therapy practices as the physical therapists will no longer always have to have a prescription from a physician before providing service to a client. The proposal may also have an administrative impact on these types of small businesses.

FISCAL DESCRIPTION

The proposal modifies the out-of-state equivalency requirements for certified public accountants. Currently, an individual having a valid designation to practice whose principal place of business is in a state with equivalent qualifications for licensure shall have all of the privileges of

FISCAL DESCRIPTION (continued)

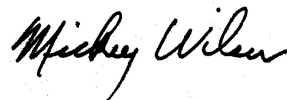
licensure in this state. The proposal allows those having an out-of-state domicile or residency to also qualify. All out-of-state practitioners shall have an unrestricted license in their state to qualify and shall only practice in connection with a firm holding a valid permit to practice as a certified public accounting firm in this state. Out-of-state practitioners shall cease offering professional services if their out-of-state license ceases to be valid or becomes restricted.

Sections 334.570 and 334.675 requires the Department of Revenue to collect licensing fees for physical therapists and physical therapy assistants for the Board of Registration for the Healing Arts.

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 -
 Office of Public Council
 Public Service Commission
Missouri Department of Transportation
Department of Insurance, Financial Institutions and Professional Registration
Department of Corrections
Department of Revenue
Department of Social Services
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Missouri Department of Conservation
Office of Prosecution Services
Office of Secretary of State
Office of State Treasurer



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