

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4636-04
Bill No.: HCS for HB 1200
Subject: Attorney General, State; Public Records, Public Meetings
Type: Original
Date: February 24, 2014

Bill Summary: This proposal requires the Attorney General to collect and provide information regarding open records and contractual sales of information to businesses and other organizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$676,960)	(\$455,640)	(\$460,595)
Total Estimated Net Effect on General Revenue Fund	(\$676,960)	(\$455,640)	(\$460,595)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Other State Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	5	5	5
Total Estimated Net Effect on FTE	5	5	5

☐ 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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture, Administrative Hearing Commission, Office of Administration - Budget and Planning, Office of Administration, Office of the State Courts Administrator, Department of Economic Development, Department of Elementary and Secondary Education, Department of Mental Health, Department of Natural Resources, Department of Labor and Industrial Relations, Department of Public Safety (Capitol Police, Division of Alcohol and Tobacco and Fire Safety), Missouri Gaming Commission, Office of the Governor, Missouri Consolidated Health Care Plan, MoDOT & Patrol Employees' Retirement System, Joint Committee on Public Retirement, Missouri Lottery Commission, Missouri Ethics Commission, Missouri Highway Patrol, Missouri Lieutenant Governor, Public Service Commission, Office of the State Auditor, Missouri Senate, Office of the State Public Defender, Office of the State Treasurer, Department of Corrections, Department of Insurance, Financial Institutions and Professional Registration, Missouri Department of Conservation, State Tax Commission** and the **Missouri Veterans Commission** assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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.

Officials from the **Department of Revenue** assume the fiscal impact of this bill is significant. This legislation will require significant changes to multiple IT systems. Preliminary analysis suggests that the costs could be \$40 million or more.

Officials from the **Department of Public Safety - Missouri Highway Patrol** states there will be programming cost of providing the information to the Attorney General's office. Since the Missouri Highway Patrol does not know what format this will need to be provided in, the department can only estimate the cost to be less than \$100,000. Since the information provided by the Missouri Highway Patrol would be a combination of accident reports and criminal history, the Criminal Records Fund and the Highway Fund would both be affected.

Officials from the **Department of Social Services (DOS)** assumes this legislation would have a very significant impact on their agency. While it can be assumed that some record exists (written correspondence, e-mails, subpoena responses, data file transfers) in all cases for which DOS provides personal identifying information to either a requestor pursuant to a written Sunshine Law request or a distribution of information to one of the parties specified in the bill, there is no centralized record of those disclosures. The cost for DOS to implement the changes in this proposal would be impacted by the format by which DOS would be required to maintain and provide its record of disclosures to the AGO, as well as whether the bill is intended to cover disclosures prior to the bill's enactment. In addition to ITSD costs related to building a database that captures the various types of disclosures outlined in the bill, the fiscal impact would also include administrative costs associated with adding to and maintaining the information in the database.

Officials from the **Attorney General's Office (AGO)** state this proposal would require the AGO to "create a free public information service which shall provide information collected" from any "public governmental body" that distributes personal identifying information. "Public governmental body" is a defined term that encompasses thousands of entities across the state, from state agencies to local governments to innumerable local districts and commissions.

Policing the proposal's requirements and collecting the required data from such a large and diverse group of entities would be a substantial undertaking unlike any activity the AGO currently engages in.

ASSUMPTION (continued)

The AGO assumes cost to be substantial. The AGO's estimated costs are as follows.

Initial costs to create the necessary database and related infrastructure may be approximately \$300,000 in the first year. Thereafter, maintenance and operation of the infrastructure may cost approximately \$50,000 per year.

The AGO would require numerous additional employees in order to carry out the proposal. These employees would be necessary in order to setup and maintain the necessary data infrastructure, collect the necessary data, and process that data. The AGO also believes it will be necessary to engage in substantial education and outreach efforts in order to educate the potential thousands of impacted entities as to their new record keeping and reporting requirements under the proposal, and how to provide that data to the AGO.

The AGO will require at least five FTE to implement the requirements of the proposal. These employees include two information systems specialists, one paralegal, one compliance auditor, and one trainer.

With the mixture of 'no fiscal impact' responses and 'negative fiscal impact' responses, **Oversight** will reflect a negative fiscal impact of the estimate provided by the Attorney General's Office to the General Revenue Fund. Oversight will also reflect a potential negative unknown cost to Other State Funds.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Cost - AGO</u>			
Personal Service	(\$188,875)	(\$228,917)	(\$231,206)
Fringe Benefits	(\$96,336)	(\$116,759)	(\$117,927)
Expense and Equipment	(\$391,749)	(\$109,964)	(\$111,462)
<u>Total Cost - AGO</u>	<u>(\$676,960)</u>	<u>(\$455,640)</u>	<u>(\$460,595)</u>
FTE Change - AGO	5 FTE	5 FTE	5 FTE
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$676,960)</u>	<u>(\$455,640)</u>	<u>(\$460,595)</u>
Estimated Net FTE Change for the General Revenue Fund	5 FTE	5 FTE	5 FTE

KC:LR:OD

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
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OTHER STATE FUNDS

<u>Cost - to various state agencies</u> To comply with § 610.060.1	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT TO OTHER STATE FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal requires a public governmental body that provides information as required under the Open Meetings and Records Law, commonly known as the Sunshine Law, or that sells or distributes personal identifying information to a third-party business entity, not-for-profit corporation, or governmental agency to keep a record of the release or sale of information and to provide the record to the Office of Attorney General upon request. The Attorney General must create a free public information service which must provide these records to any Missouri resident, free of charge. The Attorney General must post notice of the availability of this information on his or her website. This provision will be subject to an appropriation for this purpose.

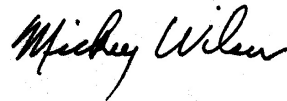
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Agriculture
Administrative Hearing Commission
Office of Administration - Budget and Planning
Office of Administration
Office of the State Courts Administrator
Department of Economic Development
Department of Elementary and Secondary Education
Department of Mental Health
Department of Natural Resources
Department of Labor and Industrial Relations
Department of Public Safety
Missouri Gaming Commission
Office of the Governor
Missouri Consolidated Health Care Plan
MoDOT & Patrol Employees' Retirement System
Joint Committee on Public Retirement
Missouri Lottery Commission
Missouri Ethics Commission
Missouri Highway Patrol
Missouri Lieutenant Governor
Office of the State Auditor

SOURCES OF INFORMATION (continued)

Missouri Senate
Office of the State Public Defender
State Tax Commission
Missouri Veterans Commission
Office of the State Treasurer
Department of Corrections
Department of Insurance, Financial Institutions and Professional Registration
Missouri Department of Conservation
Department of Revenue
Department of Social Services



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