

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5464-03
Bill No.: HCS for HB 1540
Subject: Law Enforcement Officers and Agencies; Firearms and Fireworks
Type: Original
Date: March 10, 2014

Bill Summary: This proposal modifies provisions related to public safety.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☐ 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

§§ 84.340, 571.030, and 590.750 : Corporate security advisors:

In response to a similar proposal from this year (HB 1596), officials from the **Department of Public Safety - Office of the Director (DPS)** stated the bill requires DPS to regulate and license all corporate Security Advisors. DPS will have to promulgate rules to implement the provisions of the law and shall oversee the licensing of Security Advisors. The addition of the program will necessitate the hiring of a Program Representative II. DPS assumes the total cost for this additional FTE to be approximately \$55,000 per year.

Officials from the Office of Prosecution Services and the St. Louis Metropolitan Police Department, did not respond to our request for fiscal impact.

Officials from the **City of Kansas City** assume the proposal would not create a fiscal impact.

Oversight assumes DPS will be able to charge fees for the licensing and renewal of licenses for corporate security advisors. Oversight does not know the number of corporate security advisors that are licensed each year by the St. Louis Metropolitan Police Department and the Kansas City Police Department. In the Code of State Regulations (17 CSR 10-2.040), the Board of Police Commissioners of Kansas City, Missouri has established the following fee schedule:

Annual Company License	\$300
Class A - Armed License	\$145
Class A - Armed License Renewal	\$ 90
Replacement of Lost/Stolen License	\$ 65
Rescheduling Fee	\$ 85

Oversight doesn't know how many licenses DPS will need to issue, or what fees DPS will charge; therefore, we will reflect an unknown amount of revenue into the General Revenue Fund for these fees. However, Oversight assumes DPS will charge fees sufficient to cover their costs of administering this license.

Oversight will also reflect a loss of fees to the local political subdivisions as well as a savings for not having to administer the licensing. Oversight will assume the two will offset.

ASSUMPTION (continued)

§ 575.153 - Disarming a peace officer:

Officials from the **Department of Public Safety - Missouri Highway Patrol** and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of false identification to a law enforcement officer - a new class B misdemeanor or with the enhanced crime of removing a firearm, deadly weapon or any other equipment that an officer is required to carry as a part of his or her official uniform or use in the performance of his or her official duties. These offenses are a defined class C felony.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Corrections (DOC)** state the penalty provision component of this bill resulting in potential fiscal impact for DOC, is for a class C felony. Currently, the DOC cannot predict the number of new commitments which may result from the expansion of the crime criteria of the offense(s) outlined in this proposal. An increase in commitments 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 direct offender cost either through incarceration (FY13 average of \$18.014 per offender, per day, or an annual cost of \$6,575 per inmate) or through supervision provided by the Board of Probation and Parole (FY13 average of \$5.07 per offender, per day or an annual cost of \$1,851 per offender).

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Sixteen (16) persons would have to be incarcerated per each fiscal year to exceed \$100,000 annually. Due to the narrow scope of this enhanced crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

ASSUMPTION (continued)

Bill as a Whole

According to officials from the **Office of the Secretary of State (SOS)**, 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 SOS 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.

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 proposal would not fiscally impact their agency.

Officials from the Office of Prosecution Services did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Income</u> - DPS - licensing fees, renewal fees, and other fees for corporate security	At least \$52,384	At least \$55,316	At least \$55,878
<u>Cost</u> - DPS			
Personal Service (1 FTE)	(\$29,870)	(\$36,202)	(\$36,564)
Fringe Benefits	(\$15,235)	(\$18,465)	(\$18,649)
Expense and Equipment	<u>(\$7,279)</u>	<u>(\$649)</u>	<u>(\$665)</u>
<u>Total Costs</u> - DPS	(\$52,384)	(\$55,316)	(\$55,878)
<u>Costs</u> - Department of Corrections (575.153) - Incarceration / supervision expense	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
Estimated Net FTE Change for General Revenue Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> - Kansas City and St. Louis Police Departments - no longer regulating corporate security advisors	Unknown	Unknown	Unknown
<u>Loss</u> - Kansas City and St. Louis Police Departments - no longer collecting fees for regulating corporate security advisors	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<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

Currently, a person commits the crime of disarming a peace officer if he or she removes a firearm or other deadly weapon from a peace officer acting within the scope of his or her official duties. This bill includes any other equipment that the officer is required to carry as part of his or her official uniform or use in the performance of his or her official duties.

The proposal also moves the authority to regulate corporate security advisors from the Board of Police Commissioners to the Department of Public Safety.

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

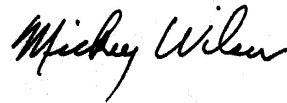
SOURCES OF INFORMATION

Department of Public Safety
Missouri Highway Patrol
Office of the Director
Office of the State Courts Administrator
Department of Corrections
Office of the State Public Defender
Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules
City of Kansas City

SOURCES OF INFORMATION (continued)

Not Responding:

Office of Prosecution Services
City of St. Louis

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

Mickey Wilson, CPA
Director
March 10, 2014

Ross Strobe
Assistant Director
March 10, 2014