

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4202-02
Bill No.: HCS for HB 1260
Subject: Children and Minors; Health Care; Health and Senior Services Department;
 Business and Commerce; Merchandising Practices; Professional Registration and
 Licensing
Type: Original
Date: March 6, 2018

Bill Summary: This proposal prohibits persons under 18 years of age from using any tanning device of any tanning facility in this state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$9,128)	\$12,556	\$10,547
Total Estimated Net Effect on General Revenue	(\$9,128)	\$12,556	\$10,547

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
PR Fees*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Transfers-in and expenses net to \$0.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
PR Fees	1	1	1
Total Estimated Net Effect on FTE	1	1	1

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** provide the following information:

Licenses/Revenue

It is assumed that 1/3 of all salons, health clubs and tanning salons, or 5,000 licensees, will obtain permits annually at a fee of \$25, for total annual revenue of \$125,000.

- In the current language of this proposed legislation, every tanning facility shall obtain a permit from the DIFP according to the provisions of section 577.665.
- No fund is mentioned, so General Revenue will be utilized for deposits and the PR Fees Fund will be utilized for costs with transfer authority from GR to the PR Fees Fund. Projected revenue reflects fees collected for all permits.
- It is estimated that the collection of initial permit fees will begin in FY 2019 and annually thereafter. (This differs from DIFP's response to 4202-01)
- If the number of permits vary significantly from the number estimated above, the permit fees will be adjusted accordingly.

The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board and to assist in calculating the anticipated license and renewal fees.

One Processing Technician II (\$27,180 annually) will be needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations.

An individual may report a violation of one or more provisions of this section to the local law enforcement agency and the tanning facility shall be subject to a fine.

Oversight assumes it is unknown how many tanning facilities may be subject to fines and is not including unknown fine revenue for fiscal note purposes.

Officials from the **Department of Health and Senior Services**, the **Joint Committee on Administrative Rules**, the **Joplin Police Department** and the **Springfield Police Department** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state 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

ASSUMPTION (continued)

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, 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 office can sustain with the core budget. Therefore, the SOS reserves 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 following **law enforcement agencies**: the Ashland Police Chief, Boone County Sheriff's Department, Branson Police Department, Buchanan County Sheriff's Department, Cass County Sheriff's Office, Clark County Sheriff's Department, Clay County Sheriff's Department, Cole County Sheriff's Department, Columbia Police Department, Greene County Sheriff's Department, Independence Police Department, Jackson County Sheriff's Department, Jasper County Sheriff's Department, Jefferson City Police Department, Jefferson County Sheriff's Department, Lawrence County Sheriff's Department, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Department of Police, the St. Louis Metropolitan Police Department and St. Louis County Justice Services did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Income - DIFP (\$577.665)</u>			
Permit fees	\$104,167	\$125,000	\$125,000
<u>Transfer-Out - PR Fees Fund</u>	<u>(\$113,295)</u>	<u>(\$112,444)</u>	<u>(\$114,453)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$9,128)</u>	<u>\$12,556</u>	<u>\$10,547</u>

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
PR FEES FUND (#689)			
<u>Transfer-In</u> - General Revenue Fund	\$113,295	\$112,444	\$114,453
<u>Costs</u> - DIFP (\$577.665)			
Personal service	(\$22,650)	(\$27,452)	(\$27,727)
Fringe benefits	(\$15,717)	(\$18,941)	(\$19,023)
Expense and equipment	(\$12,428)	(\$1,988)	(\$2,038)
Printer & postage costs	<u>(\$62,500)</u>	<u>(\$64,063)</u>	<u>(\$65,665)</u>
Total <u>Costs</u> - DIFP	<u>(\$113,295)</u>	<u>(\$112,444)</u>	<u>(\$114,453)</u>
FTE Change - DIFP	1 FTE	1 FTE	1 FTE

**ESTIMATED NET EFFECT ON THE
PR FEES FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on the PR Fees Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal will directly impact small business salons and tanning facilities that will have to purchase an annual permit.

FISCAL DESCRIPTION

This bill prohibits anyone under the age of 18 from using a tanning bed or other tanning device, regardless of parental permission. The prohibition does not include any phototherapy device prescribed by a doctor to diagnose or treat a disease or injury.

FISCAL DESCRIPTION (continued)

The bill requires tanning facility owners to obtain a permit to operate and to post a notice developed by the Department of Health and Senior Services at all tanning facilities. The bill also requires that a trained operator be present to assist customers at all times, that customers use protective eyewear, and that each tanning bed or device can be turned off by the customer while in use.

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 Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Joint Committee on Administrative Rules
Office of Secretary of State
Joplin Police Department
Springfield Police Department

Ross Strope



Acting Director
March 6, 2018