

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4957-02
Bill No.: HB 1654
Subject: Contracts and Contractors; State Departments; Attorney General; Attorneys
Type: Original
Date: January 26, 2018

Bill Summary: This proposal limits contingency fees a private attorney may receive from contingency fee contracts with the state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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

☐ 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 **Attorney General's Office (AGO)** assume any potential cost arising from this proposal can be absorbed with existing resources. AGO may seek additional appropriations if the proposal results in a significant increase in cases.

Officials from the **Office of Administration (Division of Purchasing and Materials Management, General Services, and Budget and Planning)** assume the proposal would not create a fiscal impact to their agencies.

Officials from the **Department of Transportation (MoDOT)** assume this proposal could have an unknown, negative fiscal impact to MoDOT. No additional costs will be incurred for additional reporting requirements as outlined in 37.851, but the language in 37.851 could negatively impact future competitive bid proposals. The requirement to "publish the dollar rate per hour of each attorney working for the private law firm under the contract," could cause the private firms to discontinue giving a discounted per hour fee rate to state agencies, as their private clients would expect the same per hour rate.

Oversight assumes the potential impact described by MoDOT could be considered either speculative or indirect. Therefore, Oversight will not reflect it in the fiscal note.

Officials from the **Office of the Secretary of State (SOS)** assume 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.

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.

ASSUMPTION (continued)

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

Officials from the **Department of Agriculture, Department of Economic Development (Public Service Commission, Office of the Public Council, and the Division of Energy), Department of Elementary and Secondary Education, Department of Higher Education, Department of Health and Senior Services, Department of Insurance, Financial Institutions and Professional Registration, Department of Mental Health, Department of Natural Resources, Department of Corrections, Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety (Office of the Director, Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri Highway Patrol, Missouri National Guard, State Emergency Management Agency and the Veterans Commission) Department of Social Services, Office of the Governor, Missouri Lottery Commission, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, Missouri Ethics Commission, Missouri House of Representatives, Office of the Lieutenant Governor, Office of Prosecution Services, Missouri State Employee's Retirement System, MoDOT & Patrol Employees' Retirement System, Office of Administration - Administrative Hearing Commission, Office of the State Courts Administrator, Office of the State Auditor, Missouri Senate, Office of the State Public Defender and the State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of the State Treasurer** did not respond to Oversight's request for fiscal impact.

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

<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

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

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Department of Agriculture
Department of Economic Development
 Public Service Commission
 Office of the Public Council
 Division of Energy
Department of Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
 Office of the Director
 Division of Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Missouri Gaming Commission
 Missouri Highway Patrol
 Missouri National Guard
 State Emergency Management Agency
 Veterans Commission
Department of Social Services
Office of the Governor

SOURCES OF INFORMATION (continued)

Joint Committee on Administrative Rules
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Ethics Commission
Missouri House of Representatives
Office of the Lieutenant Governor
Department of Transportation
Office of Prosecution Services
Missouri State Employee's Retirement System
MoDOT & Patrol Employees' Retirement System
Office of Administration
Office of the State Courts Administrator
Office of the State Auditor
Missouri Senate
Office of the State Public Defender
Office of the State Treasurer
State Tax Commission

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