

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2459-03
Bill No.: HCS for HB 1238
Subject: Architects; Corporations; Department of Insurance, Financial Institutions and Professional Registration; Licenses - Miscellaneous
Type: Original
Date: May 2, 2019

Bill Summary: This proposal exempts any not-for-profit organization organized under state law from provisions relating to the right to practice as an architect, professional engineer, professional land surveyor, or professional landscape architect.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
State Board of Architects, Engineers and Surveyors Fund (0678)	Could exceed (\$270,400)	Could exceed (\$270,400)	Could exceed (\$270,400)
Total Estimated Net Effect on <u>Other</u> State Funds	Could exceed (\$270,400)	Could exceed (\$270,400)	Could exceed (\$270,400)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 327.041 - 327.351 and 327.441 - 327.629

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state that if corporate Certificates of Authority are eliminated, the board will see annual revenue loss of approximately \$135,200 in fees; \$85,400 in renewal fees and \$49,800 in application filing fees. With this reduction in revenue, the Board will need to increase its fees much sooner than it currently is on target for doing so.

Oversight notes that DIFP has stated the proposal would have loss of approximately \$135,200 in fees; \$85,400 in renewal fees and \$49,800 in application filing fees annually to their organization as a result of eliminating Certificates of Authority. Oversight does not have any information to the contrary. Therefore, Oversight will reflect an annual loss in revenue of \$270,400 (\$135,200 + \$85,400 + \$49,800) to the State Board of Architects, Engineers and Surveyors Fund (0678).

Oversight notes total receipts to the State Board of Architects, Engineers and Surveyors Fund for FY 18 was \$810,750.

Oversight also notes that DIFP may increase fees to offset the loss of revenue do to this proposal.

Section 327.401

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state that the department does not know what organizations would fall under this exemption. Any reduction of licensees could require the board to raise fees, therefore the impact to DIFP is unknown.

Oversight notes, according to 20 CSR 2030-6.015 the following fees have been established by the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors, and Professional Landscape Architects:

Application Filing Fee	\$200
Application Filing Fee - Examination	\$100
Individual Renewal Fee	\$35
Corporate Renewal Fee	\$50

ASSUMPTION (continued)

Oversight notes that DIFP has stated the proposal would have an unknown fiscal impact to their organization as a result of this proposal's exemption. Since it is unknown how many licensees would be exempt, Oversight will range the cost of this proposal as \$0 (there are no exemptions made) to (Unknown) to the State Board of Architects, Engineers and Surveyors Fund, but Oversight assumes not enough exemptions would occur to reduce revenues by over \$100,000.

Officials from the **Attorney General's Office**, the **Department of Corrections**, the **Office of the State Courts Administrator**, the **Office of the State Public Defender**, the **Office of Prosecution Services**, the **Department of Public Safety - Missouri Highway Patrol** and **St. Louis County** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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**STATE BOARD OF ARCHITECTS,
 ENGINEERS AND SURVEYORS
 FUND**

<u>Cost</u> - DIFP §327.401	\$0 to	\$0 to	\$0 to
Potential reduction of licensees	(Unknown)	(Unknown)	(Unknown)

<u>Loss</u> - DIFP - Elimination of Certificate of Authority Fees	<u>(\$270,400)</u>	<u>(\$270,400)</u>	<u>(\$270,400)</u>
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ESTIMATED NET EFFECT TO THE STATE BOARD OF ARCHITECTS, ENGINEERS AND SURVEYORS FUND	<u>Could exceed</u> <u>(\$270,400)</u>	<u>Could exceed</u> <u>(\$270,400)</u>	<u>Could exceed</u> <u>(\$270,400)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act exempts any not for profit organization organized under state law from provisions relating to the right to practice as an architect, professional engineer, professional land surveyor, or professional landscape architect.

This act also modifies provisions relating to Certificate of Authority issued by the board of architects, professional engineers, professional land surveyors and professional landscape artist.

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
Attorney General's Office
Department of Corrections
Office of the State Courts Administrator
Office of the State Public Defender
Office of Prosecution Services
Department of Public Safety - Missouri Highway Patrol
St. Louis County



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May 2, 2019

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