

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2470-02  
Bill No.: HCS for HB 1213  
Subject: Professional Registration and Licensing  
Type: Original  
Date: April 26, 2019

---

Bill Summary: This proposal prohibits persons under 18 years of age from using any tanning device of any tanning facility in this state and allows students to apply sunscreen at school.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
General Revenue Fund	\$0 to (\$12,133)	\$82,686	\$80,649
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (\$12,133)</b>	<b>\$82,686</b>	<b>\$80,649</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Profession Registration Fee Fund (0689) *	(\$116,193)	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$116,193)</b>	<b>\$0</b>	<b>\$0</b>

\* Costs and Transfers In from General Revenue net to zero in FY 2021 & FY 2022

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 10 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Professional Registration Fee Fund	1 FTE	1 FTE	1 FTE
General Revenue Fund	0 to .1 FTE	0 FTE	0 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 to 1.1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 577.665

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

#### Licensee/Revenue

5,000	Estimated Permits (1/3 of salons, health clubs, tanning salons)
\$40	Permit Fee (set by board)
Annual	Renewal Cycle

- In the current language of this proposed legislation, every tanning facility shall obtain a permit from the department according to the provisions of section 577.665.
- No fund is mentioned so General Revenue (GR) will be utilized for deposits and Professional Registration (PR) Fees Fund utilized for costs with transfer authority from GR to PR. Projected revenue reflects fees collected for all permits.
- It is estimated that the collection of initial license fees will begin in FY 2021 and annually thereafter.
- If the number of permits largely vary from the number estimated above, the licensure fees will be adjusted accordingly

In summary, DIFP assumes a revenue of \$200,000 (5,000 x \$40) in FY 2021 and FY 2022 as a result of this proposal.

#### Staffing-Estimated

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.

1 Processing Technician II at \$24,490 annually, needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations.

#### Complaints and Investigations

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

ASSUMPTION (continued)

In summary, DIFP assumes a cost of \$116,193 in FY 2020, \$117,314 in FY 2021 and \$119,351 in FY 2022 to provide for the implementation of the changes in this proposal.

**Oversight** will reflect the estimates provided by the DIFP. Since the legislation does not specify which fund the revenues will be deposited into, Oversight will reflect revenues deposited into the General Revenue Fund beginning in FY 2021. Oversight notes that the Professional Registration Fees Fund balance as of March 2019 was \$682,618. Oversight assumes the fund is sufficient enough cover the DIFP estimated cost in FY 2020.

Section 577.665.4

Officials from the **Department of Health and Senior Services (DHSS)** assume the proposed legislation requires the DHSS to develop a notice that shall be posted by the owner, lessee, or operator of a tanning facility. The notice summarizes the law and health risks associated with tanning. No such notice currently exists and will need to be created by the division.

The Division of Community and Public Health (DCPH) anticipates existing staff and resources would be used to create signage for facilities to post to inform potential clients of the law change. It is presumed that a Planner III (average annual salary: \$52,428) will spend roughly 50 hours creating the signage using state-owned design software, working through DCPH and DHSS leadership structure gaining approval ultimately linking to the Department's web site for access by tanning facility operators. This will create a total one time personal service cost of \$1,261 (\$25.21 per hour @ 50 hours = \$1,261).

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify specific funding sources.

**Oversight** notes that the above mentioned agency has stated the cost of the proposal could be absorbed. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency for this section.

ASSUMPTION (continued)

Section 557.665.9

Officials from the **Department of Health and Senior Services - Director's Office (DHSS)** state that the proposed legislation requires the promulgation of rules and regulations, which include the following duties (but not all inclusive): establish guidelines, implement strategies, make evidence-based system changes, and create policy recommendations. The Department of Health and Senior Services (DHSS), Office of General Counsel will need an additional .1 FTE for an attorney (salary of \$64,500 per year) to perform the research necessary to ensure the new guidelines and information for this proposed legislation has been properly vetted and implementation is completed quickly and with fiscal responsibility. Due to current workload being at maximum limits, these costs cannot be absorbed.

**Oversight** assumes DHSS could absorb some of the additional duties without adding .1 of an FTE; however, DHSS has stated due to current workload being at maximum limits, these cost cannot be absorbed. Therefore, Oversight will range the cost from \$0 (.1 FTE can be absorbed) to \$12,133 (.1FTE is not absorbed) to the General Revenue Fund.

In response to a previous version, officials from **Kansas City** assumed the proposal will have no fiscal impact on their organization.

Section 167.268

Officials from the **Department of Elementary and Secondary Education** and the **Wellsville-Middletown R-1 School District** each assume the proposal will have no fiscal impact on their organizations.

In response to a similar proposal (HB 343 from the 2019 session) officials from the **Springfield Public Schools** and the **Francis Howell School District** each assumed the proposal will have no fiscal impact on their organization.

**Oversight** notes this proposal allows students attending a public schools to possess and apply sunscreen while on school property or at any school-related event or activity. Oversight notes the responding school districts stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight assumes there is no fiscal impact resulting from this proposal.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties and school districts were requested to respond to

## ASSUMPTION (continued)

this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

### Bill as a Whole

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 SOS for Administrative Rules is less than \$5,000. 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 require additional resources.

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

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

FISCAL IMPACT - State Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
Revenue - DIFP	\$0	\$200,000	\$200,000
\$40 Permit Fee (§577.665) p. 3-4			
Cost - DHSS (§577.665.9) p. 5			
Salary	\$0 to (\$5,375)	\$0	\$0
Fringe Benefits	\$0 to (\$2,689)	\$0	\$0
Equipment and Expense	\$0 to (\$4,069)	\$0	\$0
Total Cost - DHSS	\$0 to (\$12,133)	\$0	\$0
Transfer Out - to the Professional Registration Fees Fund (0689)(§577.665)	\$0	(\$117,314)	(\$119,351)
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>\$0 to (\$12,133)</b>	<b>\$82,686</b>	<b>\$80,649</b>
Estimated Net FTE Change to the General Revenue Fund	0 to .1 FTE	\$0	\$0

FISCAL IMPACT - State Government (continued)	FY 2020 (10 Mo.)	FY 2021	FY 2022
---	---------------------	---------	---------

**PROFESSIONAL REGISTRATION  
 FEES FUND (0689)**

Transfer In - from the General Revenue Fund (§577.665) p. 4	\$0	\$117,314	\$119,351
--	-----	-----------	-----------

Cost - DIFP (§577.665) p. 3-4

Salaries	(\$24,490)	(\$29,682)	(\$29,979)
Fringe Benefits	(\$17,972)	(\$21,656)	(\$21,747)
Equipment and Expense	(\$73,731)	(\$65,976)	(\$67,625)
Total Cost - DIFP	(\$116,193)	(\$117,314)	(\$119,351)
FTE Change - DIFP	1 FTE	1 FTE	1 FTE

<b>ESTIMATED NET EFFECT TO THE PROFESSIONAL REGISTRATION FEES FUND (0689)</b>	<b>(\$116,193)</b>	<b>\$0</b>	<b>\$0</b>
---	--------------------	------------	------------

Estimated Net FTE Change to the Professional Registration Fees Fund	1 FTE	1 FTE	1 FTE
--	-------	-------	-------

FISCAL IMPACT - Local Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL IMPACT - Small Business**

Small business tanning facilities would be directly impact by this proposal.

**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. The bill requires tanning facility



#### FISCAL DESCRIPTION (continued)

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 bill allows public school students to possess and apply topical sunscreen products, if supplied by the student or his or her parent or guardian, on school property or at a school-related event or activity.

A public school shall not require a prescription or note from a health care professional in order for a student to possess or apply any sunscreen approved by the Food and Drug Administration for over-the-counter 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 the Secretary of State  
Department of Elementary and Secondary Education  
Kansas City  
Wellsville Middletown R-1 School District  
Springfield Public Schools  
Francis Howell School District



Kyle Rieman  
Director

Ross Strobe  
Assistant Director

L.R. No. 2470-02  
Bill No. HCS for HB 1213  
Page 10 of 10  
April 26, 2019

April 26, 2019

April 26, 2019