

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1706H.02P  
 Bill No.: Perfected HCS for HB 669  
 Subject: Law Enforcement Officers and Agencies; Federal - State Relations; Criminal Procedure  
 Type: Original  
 Date: April 19, 2023

Bill Summary: This proposal modifies provisions relating to criminal background checks.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Criminal Record System Fund (0671)	Less than \$165,000	Less than \$198,000	Less than \$198,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Less than \$165,000</b>	<b>Less than \$198,000</b>	<b>Less than \$198,000</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§43.539 and 43.540 – Missouri Rap Back Program

In response to a previous version, officials from the **Department of Commerce and Insurance**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety – (Missouri Highway Patrol and Office of the Director)**, the **Missouri Department of Agriculture**, the **Office of the State Courts Administrator**, the **Branson Police Department**, the **Kansas City Police Department**, and the **St. Joseph Police Department** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation from 2023 (HB 70), the **Missouri Highway Patrol** stated, upon further inquiry, the impact to the Criminal Record System fund is unknown. **Oversight** assumes removing the “within the previous six years” from section in the bill, may result in a reduction in fees paid to the Criminal Records Systems Fund.

#### House Amendment (HA) 1

#### §195.780 – Background checks related to marijuana facilities

In response to similar legislation from 2023 (HB 766), officials from the **Department of Public Safety - Missouri Highway Patrol** assumed the proposal will have no fiscal impact on their organization.

**Oversight** obtained additional information from the DPS-MHP regarding background check fees. Current background check fees cost \$41.75 each, broken out as follows:

\$20.00	State fee
\$13.25	Federal Fee
<u>\$ 8.50</u>	Vendor fee
\$41.75	Total

In addition to the State fee of \$20, the state receives \$2 as a pass-through fee from the federal portion. Therefore, for each background check conducted, \$22 will be deposited into the Criminal Record System Fund (0671).

**Oversight** also obtained additional information from the Department of Health and Senior Services (DHSS) projecting the number of ID applications they anticipate receiving as a result of the passage of Constitutional Amendment 3. DHSS said they anticipate receiving 9,000 agent ID applications for each FY2024 and FY2025 and don't expect agent applications to increase

significantly past the numbers projected for FY 2025. Currently, DHSS started issuing agent licenses in April 2020 and the licenses are valid for three years, therefore, DHSS estimates renewals occurring starting in 2023. DHSS projects the same average beyond the period of the fiscal note and doesn't anticipate tapering off of applications.

Since the actual number of applications is unknown, Oversight assumes the impact to the Criminal Records System Fund could be up to \$198,000 annually (\$22 \* 9,000 applications).

### House Amendment (HA) 2

#### §210.493 - Background checks required of certain individuals

In response to similar legislation from 2023 (HB 81), officials from the **Department of Public Safety – Missouri Highway Patrol**, the **Office of the State Courts Administrator**, the **Branson Police Department**, the **Kansas City Police Department**, and the **St. Joseph Police Department** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

### Rule Promulgation

In response to similar legislation from 2023 (HB 81), officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to similar legislation from 2023 (HB 81), officials from the **Office of the Secretary of State (SOS)** noted 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 its 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.

### Responses regarding the proposed legislation as a whole

Officials from the **Office of Attorney General (AGO)** assume any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources. However, the AGO may seek additional appropriations if there is a significant increase in litigation.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from **Office of Administration - Administrative Hearing Commission**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Public Safety – (Gaming Commission, Missouri Veterans Commission, and State Emergency Management Agency)**, the **Department of Revenue**, the **Department of Social Services**, the **Missouri Department of Transportation**, the **Missouri Lottery Commission**, the **Missouri National Guard**, the **Office of Administration**, the **Office of the State Auditor**, the **St. Louis County Police Department**, and the **Phelps County Sheriff’s Department** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other sheriffs and police departments were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>CRIMINAL RECORD SYSTEM FUND (0671)</b>			
<u>Income</u> – MHP (\$195.780) Increase in background checks (HA 1) p. 3-4	Up to \$165,000	Up to \$198,000	Up to \$198,000
<u>Loss</u> – MHP (§§43.539 and 43.540) From foregone fees for criminal record reviews p. 3	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON THE CRIMINAL RECORD SYSTEM FUND</b>	<b><u>Less than \$165,000</u></b>	<b><u>Less than \$198,000</u></b>	<b><u>Less than \$198,000</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

Small businesses may be impacted by this proposal if they pay the background check fees of employees. (§195.780)

Small medical marijuana businesses could be impacted by this proposal. (§210.493)

FISCAL DESCRIPTION

RAP BACK (Sections 43.539 and 43.540)

Currently, qualified entities receive Rap Back notifications for individuals as long as the individual has had a Missouri and national criminal record review completed within the previous six years. This bill eliminates the six-year limitation such that a qualified entity will continue to receive Rap Back notifications for individuals as long as the individuals have at some point had a Missouri and national criminal record review completed.

BACKGROUND CHECKS FOR MARIJUANA FACILITIES (Section 195.780)

This bill specifies that the Department of Health and Senior Services will require all employees, contractors, owners, and volunteers of marijuana facilities to submit fingerprints to the State Highway Patrol for the purpose of conducting a state and federal fingerprint-based criminal background check. The fingerprint submissions may be part of a facility application, a renewal application, or an individual's application for a license or permit authorizing the person to be an employee, contractor, owner, or volunteer of a facility. Fingerprint cards and any required fees will be sent to the Highway Patrol's Central Repository.

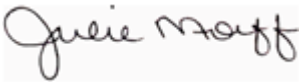
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

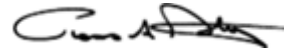
Attorney General's Office  
Department of Commerce and Insurance  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Mental Health  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety  
Department of Social Services  
Joint Committee on Administrative Rules  
Missouri National Guard  
Missouri Lottery Commission  
Missouri Department of Agriculture  
Missouri Department of Transportation

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Office of the Secretary of State  
Office of the State Courts Administrator  
Office of the State Auditor  
Branson Police Department  
Kansas City Police Department  
St. Joseph Police Department  
St. Louis County Police Department  
Phelps County Sheriff's Department



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