

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4300H.05C
Bill No.: HCS for HB 1800
Subject: Highway Patrol; Professional Registration and Licensing; Crimes and Punishment
Type: Original
Date: March 19, 2024

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	\$0 to (\$199,000)	\$0 to (\$157,436)	\$0 to (\$159,984)
Total Estimated Net Effect on General Revenue	\$0 to (\$199,000)	\$0 to (\$157,436)	\$0 to (\$159,984)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Criminal Records System	\$0 to Could exceed \$176,000	0 to Could exceed \$176,000	0 to Could exceed \$176,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to Could exceed \$176,000	\$0 to Could exceed \$176,000	\$0 to Could exceed \$176,000

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE
Total Estimated Net Effect on FTE	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§43.546, 190.106, 201.487, 301.551, 311.661 and 335.022 – Background checks for certain applicants

Officials from the **Department of Health and Senior Services (DHSS)** note this version of the proposal changes “shall” to “may” in §§210.487.1, 311.661.1 and 335.022.1. These modifications do not change DSHH’s response as provided below:

Section 190.106 of the proposed legislation requires the DHSS to collect fingerprint cards on all Emergency Medical Technician (EMT) or Paramedic licensure applicants for the purposes of running state and federal background checks.

Currently, the Division of Regulation and Licensure’s (DRL), Bureau of Emergency Medical Services (BEMS) licenses 18,000 EMTs or Paramedics. First-time applicants in Missouri are fingerprinted and nationwide criminal history is obtained through the Federal Bureau of Investigation (FBI) for a fee of \$45 each. After an initial license is received, the individual is required to renew said license every five years. License renewals only require a Missouri criminal history check, which does not require fingerprinting, for a fee of \$15 each.

Sections 190.142 and 190.903, RSMo and 19 CSR 30-40.342 make it clear that FBI criminal background checks only need to be conducted on initial applicants and those who have not resided in Missouri for the entire five year relicensure period. These statutes and regulation will allow BEMS to continue with the current relicensure background check process.

It is assumed the DHSS can absorb the costs of this bill with current resources. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

Oversight has no information to the contrary. Therefore, Oversight will present the no fiscal impact of this proposal as provided by DHSS.

Officials from the **Department of Revenue (DOR)** state §301.551 will require applicants for licensure as a new motor vehicle dealer, used motor vehicle dealer, public motor vehicle action, RV dealer, trailer dealer, boat dealer, manufacture, or boat manufacture to submit fingerprints to the Missouri State Highway Patrol (MSHP) for the purpose of conducting a state and federal fingerprint-based criminal history background check.

The DOR will have the following fiscal impact:

Administrative Impact

To implement the proposed changes, the DOR will be required to:

- Update procedures, correspondence letters, forms, and the Department website;
- Update the Dealer and Business operating manual;
- Update Department Systems
- Send communications to registered dealers
- Need additional FTE; and
- Equipment for new FTE

The DOR will require 2 additional FTE for reviewing criminal background checks and processing the additional documentation. This legislation will require an employee to access the MSHP managed system, MACHS. Since the new process will give the Motor Vehicle Bureau (MVB) an extensive view of an applicant's criminal history, the DOR is expecting the review times for the applications to be increased. Additionally, the information contained in MACHS is considered SBU (Sensitive but Unclassified) federal information. MVB would ideally restrict the number of employees with access to the system to protect the confidentiality of the data, i.e. the requested data analysts would be accessing/reviewing/approving the MACHS data before MVB grants or renews dealer licenses.

MVB has roughly 8,000 active dealers within Missouri. Based on data from other states who have implemented the same federal fingerprinting requirement, MVB estimates 10% of its current dealers will be denied renewal, or approximately 800 denials. This will increase the volume of calls and correspondence. The same thing could be said about new dealers seeking a dealer license in Missouri.

After completing the required training, MVB would also participate in MSHP's Rap Back Program. The program will automatically notify MVB every time a registered dealer commits a crime and is fingerprinted for said crime. The Associate Research Data Analyst would be responsible for keeping up with those notifications and beginning procedures to revoke licenses if it is a punishable offense.

DOR anticipates an increase in calls, correspondence, and a delay in processing due to the proposed legislation. The additional FTE would assist in the implementation and continuity of the federal fingerprint-based criminal history background checks.

With the changes, new and renewing dealers may be denied a license to operate, the DOR foresees a need for additional legal resources to pursue such denial actions and defending any appeals which may arise from the denials.

FY 2025 - Motor Vehicle Bureau additional FTE costs

Associate Research Data Analyst \$45,006
Equipment costs for laptops and accessories \$664
Additional monitors needed 2 @ \$95 each
Cubicle, chair, calculator \$8,438 each
Phone \$525 each
Headset \$125 each
Total per FTE \$54,948
* 2 FTE
Total \$109,896

FY 2025 – Motor Vehicle Bureau

Research/Data Analyst 30 hrs. @ \$27.00 per hr. =	\$ 810
Administrative Manager 10 hrs. @ \$29.31 per hr. =	\$ 293
Associate Research/Data Analyst 20 hrs. @ \$25.22 per hr. =	<u>\$ 504</u>
Total	\$1,607

FY 2025 – Systems Analysis and Support

Research/Data Analyst 20 hrs. @ \$27.00 per hr. =	\$ 540
Administrative Manager 10 hrs. @ \$29.31 per hr. =	\$ 293
Associate Research/Data Analyst 80 hrs. @ \$22.06 per hr. =	<u>\$ 1,765</u>
Total	\$ 2,598

FY 2025 –Strategy and Communications Office

Research/Data Analyst 30 hrs. @ \$27.00 per hr. =	\$ 810
Administrative Manager 10 hrs. @ \$29.31 per hr. =	\$ 293
Associate Research/Data Analyst 20 hrs. @ \$22.06 per hr. =	<u>\$ 441</u>
Total	\$1,544

Total Costs = \$115,645

The fiscal impact estimated above is based on changes in the current DOR's Motor Vehicle and Driver Licensing system environment. The implementation of this legislation will be coordinated with the integration of the Department's Motor Vehicle and Driver Licensing software system approved and passed by the general assembly in 2020 (Senate Bill 176). To avoid duplicative technology development and associated costs to the state, it is recommended a delayed effective date be added to this bill to correlate with the installation of the new system.

Fusion Impact

The costs associated with these legislative changes may be outside of the current contract and identified programming work for DOR's incoming integrated system. As such, the DOR has included the potential costs associated with making the changes to the integrated system by the department's current vendor.

To develop a function within Fusion to add data entry fields to the dealer registration and account maintenance processes, FAST estimates a \$50,000 change request to add this to the scope of Motor Vehicles rollout.

Oversight contacted DOR regarding the potential number of new applicants they receive on a yearly basis. DOR indicated they do not separate applications by new versus renewing dealers but assume the 8,000 applications are mostly renewals. The number stays roughly the same from one year to the next. Therefore, there would be some new dealers filing applications, but there is no way to determine that number.

DOR officials assume the applicant would be required to pay any background fees and the moneys would go to the MHP.

Oversight contacted DOR officials regarding background checks for renewals. DOR officials stated applicants need to have a new background check performed each time they apply for a renewal. The first 2 background checks are only good for a year each (initial licensing year and then the first renewal year). After that, renewals are good for 2 years so the background check would be good for 2 years.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state HB 1800 proposes a new §301.155 which allows DOR the ability (§301.551.2) to require a fingerprint criminal record check in part of an application process for said licenses. If DOR chooses to do so as a policy decision then as a result revenue would be generated into the Criminal Records System Fund.

Oversight notes that the provisions of §301.551.1 state "The department of revenue may (emphasis added) require that fingerprint submissions be made a part of an application seeking licensure for a new motor vehicle franchise dealer..." In addition, the provisions of subsection 2 state "**If** (emphasis added) the department of revenue requires that fingerprint submissions be made as part of such application, the department of revenue shall require applicants submit the fingerprints to the Missouri state highway patrol for the purpose of conducting a state and federal fingerprint-based criminal history background check." Since the language of the proposal is permissive, Oversight will range DOR's fiscal impact from \$0 to the amount provided.

In addition, **Oversight** notes the current fingerprint-based background check fee is \$41.75. The State portion of that fee is \$20 + \$2 retained from the federal fee. Based on DOR's estimate of 8,000 applications annually, the potential income into the Criminal Records System Fund (0671)

could be as much as \$176,000 annually attributable to the number of background checks required by DOR alone. However, as stated earlier, the provisions of this proposal are permissive and other state agencies, boards and committees are no longer mandated to require applicants to submit fingerprints when seeking various licenses or permits. Therefore, Oversight will range income into the Criminal Records System Fund as \$0 to \$176,000 for each FY 25, FY26 and FY27.

Officials from the **University of Missouri (UM)** state this bill would only create a fiscal cost for the University if UM chooses to pay licensure costs for individuals in the covered licensed professions/occupations (including the fingerprint costs associated with the bill).

Oversight assumes the University would not incur significant costs if it chooses to cover the cost of background checks for potential employees and the cost would be absorbable within the current funding levels of the University. Therefore, Oversight will present no fiscal impact to the University.

Officials from the **University of Central Missouri (UCM)** state this proposal will have an indeterminate fiscal impact on UCM as there may be costs associated with assisting students with fingerprinting if an agency requires it.

Oversight has no information to the contrary. However, Oversight assumes any costs incurred by UCM will be minimal and absorbable within current funding levels. Oversight will present no fiscal impact for UCM for this proposal.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Office of Administration - Budget and Planning**, the **Department of Commerce and Insurance**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Public Safety (DPS)**, **Divisions of: Alcohol and Tobacco Control, Fire Safety, Director's Office, Missouri Gaming Commission** and the **Missouri Veterans Commission**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Office of the State Public Defender**, the **City of Kansas City**, the **City of O'Fallon**, the **Phelps County Sheriff's Department**, the **Branson Police Department**, the **Kansas City Police Department**, the **St. Louis County Police Department**, **Northwest Missouri State University**, the **Missouri Lottery Commission** and the **Missouri Consolidated Health Care Plan** 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 cities, various county officials, sheriffs and police, schools, hospitals, colleges and universities and solid waste management districts 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.

[In response to a previous version of this proposal, officials from **Office of the State Courts Administrator** stated there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

In response to a previous version of this proposal, officials from the **DPS – Capitol Police**, the **Office of the State Treasurer** and the **Missouri Office of Prosecution Services** each assumed the proposal would have no fiscal impact on their respective organizations.

Officials from the **Attorney General’s Office** did not respond to **Oversight’s** request for a statement of fiscal impact.

Rule Promulgation

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

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

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE FUND			
<u>Costs – DOR (§301.155) p.3-6</u>	\$0 to...	\$0 to...	\$0 to...
Personal service	(\$75,010)	(\$91,812)	(\$93,648)
Fringe benefits	(\$54,106)	(\$65,624)	(\$66,336)
Equipment and expense	(\$19,884)	\$0	\$0
Contract programming costs	(\$50,000)	\$0	\$0
<u>Total Costs - DOR</u>	(\$199,000)	(\$157,436)	(\$159,984)
FTE Change - DOR	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 to</u> <u>(\$199,000)</u>	<u>\$0 to</u> <u>(\$157,436)</u>	<u>\$0 to</u> <u>(\$159,984)</u>
Estimated Net FTE Change on the General Revenue Fund	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE
CRIMINAL RECORDS SYSTEM FUND (0671)			
<u>Income – MHP (§301.155) – fingerprint background check fees p. 6</u>	\$0 to Could exceed \$176,000	\$0 to Could exceed \$176,000	\$0 to Could exceed \$176,000
ESTIMATED NET EFFECT ON THE CRIMINAL RECORDS SYSTEM FUND	<u>\$0 to Could</u> <u>exceed</u> <u>\$176,000</u>	<u>\$0 to Could</u> <u>exceed</u> <u>\$176,000</u>	<u>\$0 to Could</u> <u>exceed</u> <u>\$176,000</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal will impact small businesses that are required to have background checks performed before receiving licenses to operate. (§301.155)

FISCAL DESCRIPTION

This bill modifies provisions related to criminal background checks.

The bill provides that the specified entities may require applicants seeking various licenses or permits to submit fingerprints to the Missouri State Highway Patrol for the purpose of undergoing state and federal criminal background checks.

The fingerprints and any required fees will be sent to the MSHP central repository and will be forwarded to the Federal Bureau of Investigation. The MSHP will notify the respective agency, board, or other oversight body of their applicants' criminal history or lack thereof.

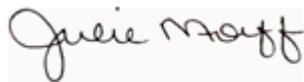
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

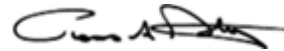
Office of Administration - Administrative Hearing Commission
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Revenue
Department of Public Safety –
 Alcohol and Tobacco Control
 Capitol Police
 Fire Safety
 Director's Office
 Missouri Gaming Commission
 Missouri Highway Patrol
 Missouri Veterans Commission
Department of Social Services
Missouri Department of Conservation
Missouri Department of Transportation

L.R. No. 4300H.05C
Bill No. HCS for HB 1800
Page **11** of **11**
March 19, 2024

Office of the State Public Defender
Office of the State Treasurer
University of Missouri
City of Kansas City
City of O'Fallon
Phelps County Sheriff
Branson Police Department
Kansas City Police Department
St. Louis County Police Department
Northwest Missouri State University
University of Central Missouri
Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri Office of Prosecution Services



Julie Morff
Director
March 19, 2024



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Assistant Director
March 19, 2024