

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4352-01  
Bill No.: SB 882  
Subject: Boards, Commissions, Committees, Councils; Fire Protection; Firearms and  
Fireworks; Licenses - Misc.  
Type: Original  
Date: February 7, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Revenue	(\$51,139)	(\$55,477)	(\$56,866)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$51,139)</b>	<b>(\$55,477)</b>	<b>(\$56,866)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
Missouri Explosives Safety Act Administration	\$9,860	\$6,204	\$1,951
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$9,860</b>	<b>\$6,204</b>	<b>\$1,951</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from the **Office of State Courts Administrator, Missouri Department of Transportation, Department of Public Safety (DPS) - Director's Office, and Department of Labor and Industrial Relations** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Prosecution Services** state the proposal will not have a significant direct fiscal impact on county prosecutors.

Officials from the **DPS - Division of Fire Safety (FS)** state information was received from the Missouri Limestone Producers indicating there were approximately 300 individuals in the state who would seek licensure at \$100 for the initial registration fee. These individuals would be required to take an exam at a maximum of \$50, and then re-certify every three years at a maximum fee of \$100. It is estimated that in the first year, this process would generate \$45,000.

Additionally, it is estimated there are 204 blasting companies in Missouri who would be required to pay a \$100 initial registration and an annual minimum of \$500. This would generate \$20,400 for registrations and approximately \$102,000 annually to the fund. An average of 60,481 tons of explosives for blasting are used annually. At a fee of \$1.15 per ton, approximately \$69,554 would be generated annually. Cumulatively, the fees for the use of explosives would generate

ASSUMPTION (continued)

approximately \$171,554 annually (\$102,000 + \$69,554). Total revenues to the new Missouri Explosives Safety Act Administration Fund in the first full year of implementation would be approximately \$216,554 (\$171,554 + \$45,000 registration fees).

In order to implement and administer this program as intended by the proposed legislation, the DPS-FS would need the following additional personnel: Two (2) FTE Blast Safety Inspectors and one (1) FTE Accountant I. Associated expense and equipment costs, including 2 vehicles, would also be needed for these positions. The DPS-FS estimates personal service and equipment and expense costs of \$180,540 for FY 07; \$165,350 for FY 08; and \$169,603 for FY 09.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY 03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender per year).

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal to the SOS for administrative rules is less than \$1,500. The SOS does not expect additional funding would be required to meet these costs. However, the SOS 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.

Officials from the **Office of State Treasurer (STO)** state the proposal, as written, requires the STO to be the custodian of the Missouri Explosives Safety Act Administration Fund. The STO is to monitor and approve disbursements from the fund. These additional duties will require one (1) FTE Analyst I (\$36,444 annual salary) plus expenses and equipment.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Office of State Treasurer</u>			
Personal service costs (1 FTE)	(\$31,129)	(\$38,289)	(\$39,246)
Fringe benefits	(\$13,715)	(\$16,870)	(\$17,292)
Equipment and supplies	<u>(\$6,295)</u>	<u>(\$318)</u>	<u>(\$328)</u>
Total <u>Costs</u> - Office of State Treasurer	(\$51,139)	(\$55,477)	(\$56,866)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$51,139)</u></b>	<b><u>(\$55,477)</u></b>	<b><u>(\$56,866)</u></b>
<b>MISSOURI EXPLOSIVES SAFETY ACT ADMINISTRATION FUND</b>			
<u>Income - Department of Public Safety</u>			
Registration, testing and usage fees	\$190,400	\$171,554	\$171,554
<u>Costs - Department of Public Safety</u>			
Personal service costs (3 FTE)	(\$79,947)	(\$98,334)	(\$100,793)
Fringe benefits	(\$35,225)	(\$43,326)	(\$44,409)
Equipment and expense	<u>(\$65,368)</u>	<u>(\$23,690)</u>	<u>(\$24,401)</u>
Total <u>Costs</u> - Department of Public Safety	<u>(\$180,540)</u>	<u>(\$165,350)</u>	<u>(\$169,603)</u>
<b>ESTIMATED NET EFFECT ON MISSOURI EXPLOSIVES SAFETY ACT ADMINISTRATION FUND</b>	<b><u>\$9,860</u></b>	<b><u>\$6,204</u></b>	<b><u>\$1,951</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small explosives or blasting businesses would be fiscally impacted as a result of this proposal.

## DESCRIPTION

This proposal directs that any person who uses explosives shall first obtain a license except those who are exempted within the proposal. The Missouri Division of Fire Safety shall be responsible for issuing the licenses and all information required on the application is laid out in the proposal. There will be a fee submitted with the application, the amount of which shall be established by the division through rules promulgated to that effect, however such fee shall not exceed one hundred dollars.

The proposal lays out qualifications for any applicant. Upon satisfying the requirements, the division shall issue a license, and any change of material fact relating to these requirements must be provided to the division by the individual holding the license.

The proposal states that such license shall expire three years from the date of issuance; any attempt to renew such a license shall require documentation that an additional eight hours of explosive-related training has been completed by the individual, of which half has been completed within the year prior to the renewal request. Any training above and beyond the eight hours required for renewal shall not carry over for more than one subsequent renewal of the license.

The proposal lays out the documentation provided when a license is issued, and directs any individual who holds such a license to provide the division with such documentation.

Circumstances under which a license can be suspended or revoked are laid out in the proposal. In such a case, the division shall provide written notice to the individual in question and that individual must then surrender all copies of the license to the division as well as ceasing all blasting activity. The decision to suspend or revoke a license may be appealed by the individual to the state blasting safety board, as it established in the proposal. Any decision by the board shall be made within thirty days of the date the appeal is received by the board.

The proposal directs any person whose license has been expired for a period of three years or less to complete the examination and attend eight hours of training. Those licenses that have been expired for more than three years require satisfying the qualifications for initial licensure, including completing twenty hours of training and passing the examination.

License reciprocity is available to anyone holding a valid license or certification from another source within the last three years provided all requirements meet or exceed the provisions laid out in this proposal. The burden of proof lays with the division with regard to investigating the requirements of other licenses or certifications as they relate to this particular license.

DESCRIPTION (continued)

The proposal details the courses of instruction offered by the division and the process for a course of instruction to approved by the division.

The division is to approve a standard examination for license qualification, and a fee not to exceed fifty dollars shall accompany the exam. Anyone failing the test can retake it, provided that an additional course of instruction may be required.

Any person guilty of loading or firing explosives without a valid license to do so or being under the direct supervision of an individual who has a valid license to do so, shall be guilty of a Class B misdemeanor for the first offense, a Class A misdemeanor for the second offense. Anyone found convicted of a Class A misdemeanor for this violation shall permanently prohibited from obtaining a blaster's license in this state.

The proposal lays out those individuals who are exempt from the requirements provided for in the proposal.

The Division of Fire Safety shall promulgate rules no later than July 1, 2007 governing the provisions of the proposal. Any individual loading or firing explosives after the effective date of these rules shall obtain a license within one hundred eighty days after the effective date of the of the promulgated rules.

The proposal lays out prescriptive requirements for blasting activity in the state, including details with regard to seismograph recordings.

The proposal directs each person using explosives in the state to register with the state fire marshal within sixty days of the effective date of the legislation. Any person not required to register on the effective date and who subsequently uses explosives, shall register with the state fire marshal within thirty days after using the explosives. A registration fee of one hundred dollars shall accompany the registration, and an annual report to the state fire marshal shall be forthcoming from the individual stating any change or addition to the information laid out in the original report. Information required for the report is laid out in the proposal. A fee per ton shall be submitted annually with the report, the minimum being set at five hundred dollars. In addition to the minimum fee, any person using explosives during any year shall pay a fee of one dollar and fifty cents on each ton of explosives used.

The proposal describes penalties for various violations of the provisions in the proposal.

DESCRIPTION (continued)

The proposal creates a state blasting safety board. Membership, terms in office, meeting times and responsibilities of the board are all laid out in the proposal.

Duties for the Division of Fire Safety are laid out in the proposal with regard to the training, testing, and licensing discussed in the proposal.

The "Missouri Explosives Safety Act Administration Fund" is created in the proposal. The State Fire Marshal shall submit a report to the state blasting safety board annually detailing the revenue in the fund generated by fees, and how that revenue was spent.

Notice of violations and how they shall be prescribed are detailed in the proposal. Any person receiving such a notice has the opportunity to request a hearing before the state blasting safety board. Decisions by the board are appealable to the Administrative Hearing Commission.

The proposal requires any person using explosives in the state to notify the Division of Fire Safety in writing or by telephone at least two business days in advance of first using the explosives at a site where blasting has not previously occurred.

The proposal directs any person using explosives to notify, at least two business days in advance, the responsible municipality whose jurisdiction the blasting is taking place in. The municipality's powers with regard to information are laid out in the proposal. Any person using explosives within a municipality shall notify the owner or occupant of any residence or business located within a scaled distance of fifty five from the blasting site; the names of those residences or businesses shall be provided by the municipality.

The proposal preempts any local governments who wish to implement new regulations governing blasting activities and those that have existing regulations for blasting.

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 State Courts Administrator  
Department of Corrections  
Department of Labor and Industrial Relations  
Missouri Department of Transportation  
Department of Public Safety -  
    Director's Office  
    Division of Fire Safety  
Office of Prosecution Services  
Office of State Treasurer

**NOT RESPONDING: Office of State Public Defender**

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 7, 2006