

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0288-03
Bill No.: SB 164 with SCA 1, SCA 2, SCA 3, and SCA 4
Subject: Insurance Department; Economic Development Dept.; Licenses - Professional;
 Banks and Financial Institutions
Type: Original
Date: February 16, 2007

Bill Summary: Modifies various statutes to implement Governor's executive order that created the Department of Insurance, Financial and Professional Regulation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$39,125)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$39,125)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (COA) - Administrative Hearing Commission, Department of Economic Development, Department of Insurance, Financial and Professional Regulation, Department of Health and Senior Services, Department of Social Services, Office of the Governor, Missouri Senate, Office of State Treasurer, and Office of State Auditor** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Revenue (DOR)** assume the proposal will have no fiscal impact on their organization. The **COA - Office of Information Technology Services Division (ITSD) DOR** estimates the information technology portion of this proposal can be accomplished within existing resources. However, if priorities shift, additional FTE/overtime would be needed to implement the proposal. The ITSD DOR estimates that this proposal would cost approximately \$4,186 to implement if priorities shift.

Officials from the **Office of Attorney General (AGO)** assume that any additional costs associated with this proposal can be absorbed. As this proposal primarily involves technical rewriting of the statutes impacting the Department of Insurance, the AGO does not anticipate that any of these technical changes will have a fiscal impact on the AGO.

Officials from the **Office of Secretary of State (SOS)** provide that SB 164 amends various statutes to change the name of the "Department of Insurance" to the "Department of Insurance, Financial and Professional Regulation." The department will now promulgate rules to update its revised department name. Additionally, the department has been given three new insurance divisions which will allow for restructuring of the existing divisions under insurance. These rules will be published in both the Missouri Register and the Code of State Regulations. Approximately 750 pages could be printed in the Missouri Register to implement these changes. The rules may require approximately 1,100 pages in the Code of State Regulations to replace the pages affected by the name change made by Executive Order 06-04 implemented September, 2006.

The SOS estimates the cost of a page in the Missouri Register to be \$23 and the cost of a page in the Code of State Regulations to be \$27. The SOS estimates this proposal will cost \$39,125 [(750 pgs. X \$23) + (1,100 pgs. X \$27)]. These costs are estimates and depend on the number of rules printed, rescinded, and amended.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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GENERAL REVENUE FUND

Costs - Office of Secretary of State

Printing costs	(<u>\$39,125</u>)	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON THE
 GENERAL REVENUE FUND**

<u>(\$39,125)</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2008 (10 Mo.)	FY 2009	FY 2010
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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 proposal modifies various statutes to implement the Governor's executive order creating the Department of Insurance, Financial and Professional Regulation.

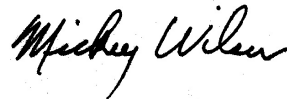
IMPLEMENTATION OF EXECUTIVE ORDER - The proposal addresses numerous statutory provisions which place duties and responsibilities on the Department of Insurance or upon the three divisions that have been transferred to the Department of Insurance, Financial and Professional Regulation by executive order. The proposal establishes that the department of insurance created by Missouri Constitution will operate under the name "Department of Insurance, Financial and Professional Regulation." The proposed legislation changes the department name to implement the executive order and makes several important structural changes within the Missouri statutes.

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

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Office of Administration -
 Administrative Hearing Commission
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Department of Health and Senior Services
Department of Revenue -
 Information Technology Services Division /DOR
Department of Social Services
Office of the Governor
Office of State Auditor
Missouri Senate
Office of Secretary of State
Office of State Treasurer



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Director
February 16, 2007