

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0313-02  
Bill No.: Perfected SS for SB 31  
Subject: Boards, Commissions, Committees, Councils; Licenses - Professional; Architects; Engineers; Land Surveyors  
Type: Original  
Date: April 13, 2007

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Bill Summary: Authorizes the Missouri Board of Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects to impose civil penalties.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>\$0*</b>	<b>\$0*</b>	<b>\$0*</b>

\* Collected penalties and distributions to county treasurers nets to \$0.

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</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 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

**FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Insurance, Financial and Professional Regulation** and **Office of State Public Defender** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General (AGO)** state the proposal authorizes the Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects to review and file complaints against licensees and non-licensees with the Administrative Hearing Commission, and issue orders imposing civil penalties. The Board is given investigative powers, including the authority to issue subpoenas.

The AGO assumes that the costs of this proposal could be absorbed with existing resources. However, if the number of complaints filed with the Board, particularly non-licensee complaints, becomes significant, the AGO may seek additional resources to handle the additional workload.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate the legislation will not significantly alter its caseload. However, if other similar bills also pass, there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs 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 **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).

ASSUMPTION (continued)

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.

**Oversight** notes that penalties collected as a result of violations are to be paid to the county treasurer (Section 327.077.8).

Officials from the **Office of Prosecution Services (OPS)** did not respond to our request for a statement of fiscal impact. However, in response to the previous version of this proposal, the OPS assumed the proposal would not have a significant direct fiscal impact on county prosecutors or the OPS.

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

<u>Income - Civil Penalties Collected</u>	Unknown	Unknown	Unknown
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Transfer-Out - County Treasurers

Transfer-out of penalties collected for distribution to schools	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>
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\* Collected penalties and distributions to county treasurers nets to \$0.

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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**LOCAL GOVERNMENTS - SCHOOLS**

Income - County Treasurers

Transfer-in of penalties collected for insurance infractions	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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**ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - SCHOOLS**

	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Small Business

This proposal may impact small businesses if they are investigated and incur penalties.

### FISCAL DESCRIPTION

This proposal authorizes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects to impose civil penalties against licensed and unlicensed persons. Any person who practices architecture, engineering, land surveying or landscape architecture without a valid license may be subject to an administrative action by the board to seek a civil penalty. The board may initiate investigations against the unlicensed person and may issue subpoenas to compel attendance and testimony of witnesses.

The complaint must be filed with the Administrative Hearing Commission, which shall conduct a hearing and issue its findings of fact and conclusions of law. The duties of the commission are amended to include the ability to hear such cases. If the commission finds the unlicensed person has violated this proposal, then the board may issue a civil penalty not to exceed \$5,000 for each day of violation, with a maximum penalty of \$25,000. The unlicensed person has the right to appeal the order imposing the fine to a circuit court. Once the case is final, and the penalty is not timely paid, the Attorney General may commence an action to recover the penalty, including reasonable attorney fees and costs and a surcharge of 15% of the penalty plus 10% per year on any amounts owed. The validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

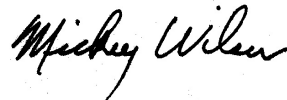
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

L.R. No. 0313-02  
Bill No. Perfected SS for SB 31  
Page 6 of 6  
April 13, 2007

Office of Attorney General  
Office of Administration -  
    Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Insurance, Financial and Professional Regulation  
Department of Corrections  
Office of Prosecution Services  
Office of Secretary of State

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



Mickey Wilson, CPA  
Director  
April 13, 2007