

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3494-04
Bill No.: Truly Agreed To and Finally Passed SCS for SB 788
Subject: Insurance Dept.; Licenses - Professional; Boards, Commissions, Committees, Councils; Credit Unions
Type: Original
Date: June 4, 2008

Bill Summary: Moves the divisions of finance, credit unions and professional registration, and the State Banking Board, to the Department of Insurance, Financial Institutions and Professional Registration by type III transfer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Joint Contingency	(\$10,000)	(\$5,000)	\$0
Board of Accountancy	(\$41,205)	(\$41,205)	(\$41,205)
Total Estimated Net Effect on Other State Funds	(\$51,205)	(\$46,205)	(\$41,205)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (COA) - Division of Accounting, Office of State Courts Administrator, Department of Economic Development (DED) - Office of Public Council, DED - Public Service Commission, Department of Public Safety - Missouri State Highway Patrol, Missouri Senate, Office of the Governor, Office of State Auditor, Department of Revenue, and Office of Prosecution Services** assume the proposal will have no fiscal impact on their organizations.

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

Officials from the **Office of Attorney General (AGO)** state the costs associated with changes to the State Legal Expense Fund will create no fiscal impact (Section 105.711). The AGO further assumes that any costs associated with changes to the licensure of physical therapists (Section 334.500 et. al) may be absorbed with existing resources.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules 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 **Office of State Treasurer (STO)** state the proposal will have no fiscal impact on their organization. However, the proposal allows for professional registration fees to be reduced by emergency rule if the projected fund balance of any agency assigned to the division of professional registration is reasonably expected to exceed an amount that would require a transfer from the fund to general revenue. The impact to general revenue is zero to unknown.

STO officials also state that the balance in the "Manufactured Housing Consumer Recovery Fund" (Section 700.041.1) shall not exceed 32% of the annual appropriations from the fund. The STO assumes COA will monitor compliance with this requirement since this appears to be subject to an annual transfer. It is not clear where excess funds would be transferred.

ASSUMPTION (continued)

Oversight assumes monies transferred to the General Revenue Fund through fund sweeps to be uncertain. In addition, the amount swept can vary significantly between one fund sweep and the next. Therefore, for fiscal note purposes, **Oversight** assumes the proposal to have no fiscal impact due to the uncertainty of whether any funds would actually be swept.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP) - Division of Professional Registration (DPR)** state the proposal allows out-of-state licensed Certified Public Accountants (CPAs) to have all the privileges of licensure in this state. The DPR anticipates the proposal will result in a decrease in the number of new applicants for licensure. The DPR estimates a decrease of approximately 491 applications annually, with a resulting decrease of \$41,205 in annual revenue going to the Board of Accountancy Fund.

Oversight assumes the Joint Committee on Preneed Funeral Contracts would incur actual and necessary expenses for the seven members of the Senate and the seven members of the House. **Oversight** assumes costs of \$10,000 in FY 09 and \$5,000 in FY 10. These expenses would be paid from the Joint Contingency Fund.

Officials from **Legislative Research - Revisor of Statutes and Missouri House of Representatives** did not respond to our request for a statement of fiscal impact.

This proposal will result in a decrease in total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
JOINT CONTINGENCY FUND			
<u>Costs - General Assembly</u>			
Actual and necessary expenses	<u>(\$10,000)</u>	<u>(\$5,000)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON JOINT CONTINGENCY FUND	<u>(\$10,000)</u>	<u>(\$5,000)</u>	<u>\$0</u>
BOARD OF ACCOUNTANCY FUND			
<u>Loss - DIFP</u>			
Reduction in licensing revenue	<u>(\$41,205)</u>	<u>(\$41,205)</u>	<u>(\$41,205)</u>
ESTIMATED NET EFFECT ON BOARD OF ACCOUNTANCY FUND	<u>(\$41,205)</u>	<u>(\$41,205)</u>	<u>(\$41,205)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small business accounting firms if more out-of-state CPAs decide to practice in Missouri.

FISCAL DESCRIPTION

This proposal creates a Joint Committee on Preneed Funeral Contracts to be composed of 7 members from both legislative chambers. The committee must make a comprehensive study of the consumer and economic impact on preneed funeral contracts in Missouri. The study must be submitted to the General Assembly no later than January 31, 2009.

Under this proposal, engagements to be performed in accordance with the auditing standards and rules of the Public Company Accounting Oversight Board are included in the definition of attest or attest services. This proposal also modifies the out-of-state equivalency requirements for certified public accountants. Currently, an individual having a valid designation to practice

FISCAL DESCRIPTION (continued)

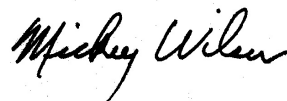
whose principal place of business is in a state with equivalent qualifications for licensure shall have all of the privileges of licensure in this state. The proposal allows those having an out-of-state domicile or residency to also qualify. All out-of-state practitioners shall have an unrestricted license in their state to qualify and shall only practice in connection with a firm holding a valid permit to practice as a certified public accounting firm in this state. Out-of-state practitioners shall cease offering professional services if their out-of-state license ceases to be valid or becomes restricted.

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 Attorney General
Office of Administration -
 Division of Accounting
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development -
 Office of Public Council
 Public Service Commission
Department of Insurance, Financial Institutions and Professional Registration
Department of Revenue
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Office of the Governor
Office of Prosecution Services
Office of State Auditor
Missouri Senate
Office of Secretary of State
Office of State Treasurer

NOT RESPONDING: Legislative Research - Revisor of Statutes and Missouri House of Representatives



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