

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4654-04
Bill No.: SCS for HCS for HB 1965 with SA 1, SA 2, SA 3 and SA 4
Subject: General Assembly
Type: Original
Date: May 6, 2010

Bill Summary: Repeals obsolete and ineffective statutes as recommended by the state departments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	Unknown less than \$100,000	Unknown less than \$650,000	Unknown less than \$650,000
Total Estimated Net Effect on General Revenue Fund	Unknown less than \$100,000	Unknown less than \$650,000	Unknown less than \$650,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Statutory Revision	\$0	(\$207,000)	(\$207,000)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(\$207,000)	(\$207,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Loss and savings unknown less than \$100,000 annually net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General, Office of State Courts Administrator, Department of Higher Education, Office of Administration (COA) - Division of Budget and Planning, COA - Administrative Hearing Commission, Department of Insurance, Financial Institutions, and Professional Registration, Department of Natural Resources, Department of Health and Senior Services, Department of Labor and Industrial Relations, Department of Revenue, Department of Social Services, Missouri Department of Transportation, Department of Public Safety, Office of the Governor, Department of Economic Development, Department of Elementary and Secondary Education, Missouri House of Representatives, Missouri Senate, Office of State Auditor, Office of State Treasurer, Missouri State Tax Commission, Linn State Technical College, City of Centralia, and Kansas City Board of Elections** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Mental Health (DMH)** assume the requirements of Section 660.075, which allow the Division of Developmental Disabilities to limit the issuance of ICF-MR certificates, remain in effect, based on the repeal of 197.318. Therefore, the DMH assumes the proposal will have no fiscal impact on their organization.

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 this bill proposes to repeal statutes for which the DOC has received offender cases for criminal penalties in recent years.

§ 195.400 -- Drops the class D and C felonies associated with failure to obtain proper identification/make report of drug transfer. There was one DOC probation case for the class D felony in FY08.

§ 195.405 -- Drops the class D felony of furnishing or receiving a controlled substance without registration. There were two probation cases and one term sentence in FY08 and one probation case for this offense in FY09.

ASSUMPTION (continued)

Currently, the DOC cannot predict the number of offenders who may have previously been sentenced due to the offense(s) outlined in this proposal. Commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If persons are not sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding savings in direct offender cost either through avoided incarceration (FY09 average of \$16.04 per offender, per day, or an annual cost of \$5,855 per inmate) or through avoided supervision provided by the Board of Probation and Parole (FY09 average of \$3.71 per offender, per day or an annual cost of \$1,354 per offender).

In summary, avoided supervision by the DOC through probation or incarceration would result in positive unknown costs to the department. Due to the low numbers of offenders received in recent years, it is assumed the impact would be a positive amount less than \$100,000 per year for the DOC.

In response to an earlier version of this proposal, officials from the **Department of Agriculture, Missouri Ethics Commission, Parkway School District, University of Missouri, Boone County Sheriff's Department, Boone County Collector of Revenue, Jackson County Recorder of Deeds, St. Louis County, and City of Kansas City** assumed the proposal would have no fiscal impact on their organizations.

Officials from the **Office of Prosecution Services** and **City of St. Louis** did not respond to our request for a statement of fiscal impact.

No other officials from **County Recorders/Collectors, Sheriff's Departments, Cities, Schools, Court Clerks, or Election Authorities** responded to our request for a statement of fiscal impact.

Senate Amendments as a whole:

Officials from the **Office of Administration (COA) - Administrative Hearing Commission, COA - Division of Budget and Planning, Office of State Courts Administrator, Department of Economic Development, Department of Insurance, Financial Institutions, and Professional Registration, Department of Mental Health, Department of Health and Senior Services, Department of Labor and Industrial Relations, Department of Revenue, Missouri Department of Transportation, Department of Public Safety, Missouri Consolidated Health Care Plan, Joint Committee on Administrative Rules, Joint Committee on Public Employee Retirement, Missouri Ethics Commission, Missouri State Employees' Retirement System, MoDOT & Patrol Employees' Retirement System, Office of State Auditor, Office of Secretary of State, Office of State Treasurer, State Tax Commission, and University of Missouri** assume the proposal will have no fiscal impact on their organizations.

ASSUMPTION (continued)

Officials from the **Office of Attorney General** assume any potential costs arising from the passage of this proposal, as amended, can be absorbed with existing resources.

Officials from the **Department of Higher Education (DHE)** assume the proposal, as amended, would have no direct, foreseeable fiscal impact on the DHE.

Senate Amendment 1- §§ 2.030, 3.130, 3.140, 11.010 and 11.020

Officials from the **Department of Elementary and Secondary Education (DES)** state the department received 13 copies of the 2000 Missouri Revised Statutes. Should the DES be charged a fee for subsequent printed revisions, the number of requested copies could potentially decrease resulting in a greater reliance on the web-based electronic format. Even if the DES maintains the status quo, costs will not likely be significant.

Officials from the **Department of Natural Resources (DNR)** state currently, the Revisor of Statutes is required to print and bind copies of all laws and resolutions and deliver copies to certain listed public agencies, schools, and libraries. SA 1 would give the revisor the discretion to print and bind the laws and resolutions or to produce the laws and resolutions in a web-based electronic format. This SA 1 would repeal the provisions that required the revisor to distribute copies to the listed agencies, schools and libraries. The revisor would be given the authority to sell copies of the revised statutes at a price determined by the Committee on Legislative Research, taking into account, in part, the cost of producing the statutes and maintaining the website.

Officials at the Joint Committee on Legislative Research sells copies of supplements to the Missouri Revised Statutes from \$35 to \$75 annually. Legislative Research sells complete sets of the Missouri Revised Statutes for approximately \$400.

According to Legislative Research officials, the DNR received 61 copies of the supplements this year. It is unknown if the department would rely solely on the web-based electronic format if those supplements were not provided as a result of this proposal or if they would be purchased annually.

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation would appear to have a minimal fiscal impact on MDC funds.

Officials from the **Office of the Governor (GOV)** state the proposal could result in added costs for the GOV to purchase printed and/or web-based electronic copies of the revised statutes. These costs would be determined by the Joint Committee on Legislative Research.

ASSUMPTION (continued)

In response to an earlier proposal similar to this amendment, officials from the **Office of Secretary of State - Missouri State Library** stated the proposal could eliminate free distribution of state statutes, and thereby, limit the ability of public libraries to provide free access to critical government information. In order to provide a printed version of the statutes, libraries may have to pay for public information that was produced by taxes. Many library patrons prefer the print version or do not possess the technological skills to adequately access the statutes in an electronic format.

Since a price for reproduction is not enumerated in the proposal, estimating an accurate fiscal impact for the state's libraries is impossible.

In response to a legislation similar to this amendment, officials from the **Department of Agriculture (AGR)** stated each division and board/commission within the AGR would be required to purchase copies of the revised statutes of Missouri as needed. The AGR estimates 12 copies of the FY 11 decennial statutes at \$300 per copy (\$3,600) and 12 copies of the FY 12-FY13 supplements at \$75 per copy (\$900) would be needed.

In response to a legislation similar to this amendment, officials from the **Department of Labor and Industrial Relations (DOL)** stated currently the department and each division receive one set of the hardbound statutes and supplements without charge. Eliminating the provision of free copies of the Revised Statutes of Missouri will result in an unknown fiscal impact. The bill states the committee will determine the costs. Therefore, the DOL is unable to determine an exact fiscal impact at this time and assumes an unknown impact, less than \$100,000 annually.

Officials from the **Department of Corrections (DOC)** state Amendment 1 proposes to possibly eliminate complimentary copies of the MO Revised Statutes that are necessary for designated sections within central office and for each prison. Therefore, the total expenditure relating to this amendment for the DOC is unknown.

Officials from the **Department of Social Services (DOS) - Division of Legal Services (DLS)** state the legislation would require the DOS and DLS to pay for the bound statute books and pocket arts that it currently receives at no charge, or else rely exclusively upon alternative sources available on the internet. However, given the likelihood that electronic alternative sources will not always be readily available due to service interruptions, it is assumed that the DOS and DLS will have to purchase at least a limited number of bound statute books and pocket parts. Since the legislation does not specify the price to be charged for bound statute books and pocket parts, it is currently unknown exactly how many sets the DOS and DLS would require. The DOS-DLS assumes an unknown impact less than \$200,000 annually (50% GR, unknown less than \$100,000).

ASSUMPTION (continued)

Officials from **Platte County** estimate the fiscal impact of this proposal to be between \$2,000 and \$12,000 annually, depending on the cost of the materials and the frequency of the updates.

Officials from **St. Louis County** state they could incur an unknown cost for potentially 20-25 copies of the supplements annually.

Officials from the **Missouri House of Representatives (MHR)** have estimated that 200 sets of the Revised Statutes (one per member and the rest for staff offices) will be needed. The next update to the RSMo will be a complete reprint and the cost is estimated to be \$400 per set, or up to \$80,000 for FY 11. Subsequent year updates to the RSMo will cost \$50, adjusted for inflation (3% for FY 13); FY 12 costs are estimated to be \$0 to \$20,000 (400 X \$50); FY 13 costs are estimated to be \$20,600 (400 X \$50 X 1.03).

Officials from the **Missouri Senate (SEN)** state the SEN currently receives between 80 and 90 copies of the revised statutes. Thus a potential cost ranging from \$0 to between \$32,000 and \$36,000 would appear to be a potential expense (assuming a \$400 per unit price).

Officials from **Legislative Research (LR)** state the proposal repeals the statute establishing LR's Statutory Revision Fund. This conflicts with CCS for HB 2012 language granting LR appropriation authority for \$207,000 and would require LR to ask for General Revenue funds in the future for computer purchases and maintenance for LR, Oversight, and the Library. This means that all revenue from the sales of the book would go directly to General Revenue. About one-half of the Statutory Revision Fund amount currently appropriated also includes money for personal services. With the repeal, LR would have to drastically reduce expenses and probably lay off at least two (2) FTEs.

LR estimates annual revenue from the sale of Cumulative Supplements to be between \$412,500 and 550,000, depending on the price set by the Committee (5,500 sets X \$75 to \$100 per set). LR would need to purchase about 20 sets of Cumulative Supplements at an estimated cost of \$100 per set, or \$2,000.

Senate Amendment 2 - §33.850

Officials from the **COA - Information Technology Services Division (ITSD)** state ITSD can report by individual the travel costs directly reimbursed to the employee (mostly meals and miscellaneous expenses) and can report, in total, out-of-state travel costs using MAPS (Missouri Accountability Portal System). To report details for other expenditures, like the cost per employee for conferences, hotels and air travel, the ITSD would need to have the information submitted by the agencies and then post on MAPS or link to the agency website.

The ITSD assumes the responsibilities and reporting required by the proposal could be performed within existing resource levels.

ASSUMPTION (continued)

Officials from the **COA - Division of Accounting** state that assuming the Missouri Accountability Portal website is maintained at the current level, the proposal will have no fiscal impact on their organization. However, if a major change would need to be implemented in the future, funding for salaries/consultants would need to be considered.

Officials from the **Missouri Senate (SEN)** state the proposal establishes the Joint Committee on Recovery Accountability and Transparency which is comprised of four members from the Senate and four members from the House. The purpose of this committee is to coordinate and conduct oversight of covered funds to prevent fraud, waste, and abuse. The SEN anticipates some minor expenses related to the operation of the committee, but assumes cost can be absorbed withing current appropriation levels.

Officials from the **Missouri House of Representatives (MHR)** assumed joint committee expenses will be paid from the Senate's joint contingent expenses appropriation and there will be no fiscal impact to the MHR.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Savings - DOC</u>			
Reduction in incarceration and parole costs	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000
<u>Income - Legislative Research</u>			
Sale of Revised Statute supplements	\$0	\$412,500 to \$550,000	\$412,500 to \$550,000
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$650,000</u>	<u>Unknown less than \$650,000</u>
STATUTORY REVISION FUND			
<u>Loss - Legislative Research</u>			
Sale of Revised Statute supplements	<u>\$0</u>	<u>(\$207,000)</u>	<u>(\$207,000)</u>
ESTIMATED NET EFFECT ON STATUTORY REVISION FUND	<u>\$0</u>	<u>(\$207,000)</u>	<u>(\$207,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
FEDERAL FUNDS			
<u>Savings - DOS</u>			
Reduction in reimbursable costs	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000
<u>Loss - DOS</u>			
Reduction in reimbursements for costs	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
LOCAL GOVERNMENTS - PUBLIC LIBRARIES			
<u>Costs - Public Libraries</u>			
Purchase costs for Missouri Revised Statutes	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - PUBLIC LIBRARIES	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal repeals various expired provisions contained in the Missouri statutes. These provisions were identified in the January 2010 Annual Report of the Joint Committee on Legislative Research on Laws Which Expire, Sunset, Terminate, or Become Ineffective.

FISCAL DESCRIPTION (continued)

Senate Amendment 1 provides that the Joint Committee on Legislative Research may produce Missouri Revised Statutes in a web-based electronic format. Section 3.130 removes the provisions that allow the revisor of statutes to provide the RSMos without charge. Funds received for the purchase of the RSMos is to be deposited in the General Revenue Fund rather than the Statutory Revision Fund.

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

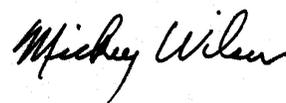
Office of Attorney General
Department of Agriculture
Office of Administration -
 Administrative Hearing Commission
 Division of Budget and Planning
Office of State Courts Administrator
Department of Economic Development
Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions, and Professional Registration
Department of Higher Education
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services
Office of the Governor
Missouri Department of Transportation
Department of Public Safety -
 Director's Office
 Missouri Gaming Commission
 Missouri State Highway Patrol
 Missouri Veterans Commission
Missouri Ethics Commission
Missouri House of Representatives
Office of State Auditor

HWC:LR:OD

SOURCES OF INFORMATION (continued)

Missouri Senate
Office of Secretary of State
Office of State Treasurer
Missouri State Tax Commission
University of Missouri
Parkway School District
Linn State Technical College
Boone County Sheriff's Department
Boone County Collector of Revenue
St. Louis County
Jackson County Recorder of Deeds
Kansas City Board of Elections
City of Centralia
City of Kansas City

NOT RESPONDING: Office of Prosecution Services and City of St. Louis



Mickey Wilson, CPA
Director
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