

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2106-01  
Bill No.: SB 436  
Subject: Contracts and Contractors; Licenses - Professional; Department of Labor and Industrial Relations; Political Subdivisions; St. Louis  
Type: Original  
Date: March 31, 2015

Bill Summary: This proposal modifies provisions relating to electrical contractor licenses issued by political subdivisions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$75,825)	(\$69,753)	(\$70,555)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$75,825)</b>	<b>(\$69,753)</b>	<b>(\$70,555)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume this legislation requires the Division of Labor Standards to annually survey political subdivisions and publish a listing of political subdivisions that issue electrical contractor licenses whose requirements are equal to or exceed the requirements for obtaining an electrical contractor license on August 28, 2004, in St. Louis County.

This legislation will require the Division of Labor Standards (DLS) to publish a list of political subdivisions which issue electrical contractor licenses; if the political subdivision is authorized by state statute to do so and uses requirements which are equal to or exceed the requirements for obtaining an electrical contractor license on August 28, 2004, in St. Louis County.

Per information from the State Auditor's Office web site, there are approximately 3,000 political subdivisions statewide. The provisions of this legislation apply to political subdivisions with the legal authority, under state statute, to issue electrical contractor licenses. Sections 64.160 RSMo and 77.505 RSMo grant this authority to first and second classification counties and third class cities respectively. There are potentially 21 counties and 99 cities within Missouri; including charter counties/cities which are authorized by state statute to issue such licenses.

This activity is not similar to other functions performed by the Division of Labor Standards (DLS). One additional FTE will be needed to conduct surveys, review standards used by political subdivisions, and compile and publish the required listing. Standard E&E costs and funding for minimal travel, up to one overnight trip per month, are included. In addition, funding for one-time consultant costs are included in the first year to allow the DLS to contract for knowledgeable assistance to establish procedures and to determine the review process needed.

If the actual number of political subdivisions affected or the level of review required, by this legislation is significantly different than the assumptions used, the costs associated with this legislation would vary accordingly.

DOLIR assumes OA- ITSD will receive a listing of political subdivisions and post that list to the Division of Labor Standards web page on an annual basis. Minimal additional costs may be needed in the first year to create the initial subpage off of the existing DLS web page.

Officials from **St. Louis County** assume the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Cost - DOLIR</u>			
Personal Service	(\$34,015)	(\$41,226)	(\$41,638)
Fringe Benefits	(\$17,690)	(\$21,440)	(\$21,654)
Expense and Equipment	<u>(\$24,120)</u>	<u>(\$7,087)</u>	<u>(\$7,263)</u>
<u>Total Cost - DOLIR</u>	<u>(\$75,825)</u>	<u>(\$69,753)</u>	<u>(\$70,555)</u>
FTE Change - DOLIR	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$75,825)</u></b>	<b><u>(\$69,753)</u></b>	<b><u>(\$70,555)</u></b>
Estimated net FTE change to the General Revenue Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Under current law, an electrical contractor license issued by any political subdivision whose requirements are equal to or exceed the requirements of St. Louis County in effect on August 28, 2004, is valid within any political subdivision in the state.

This act provides that the license is only valid throughout the state if the political subdivision has statutory authority to issue electrical contractor licenses.

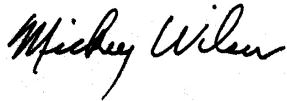
This act also requires the Division of Labor Standards to publish an annual list of political subdivisions that issue electrical contractor licenses that are valid throughout the state.

FISCAL DESCRIPTION (continued)

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

Department of Labor and Industrial Relations



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Director  
March 31, 2015

Ross Strope  
Assistant Director  
March 31, 2015