

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6180-03  
Bill No.: SB 1031  
Subject: Attorney General, State; Children and Minors; Education, Elementary and Secondary; Fees; Merchandising Practices  
Type: Original  
Date: March 7, 2016

Bill Summary: This proposal establishes the Missouri Child Protection Registry.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue*	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Children's Protection Registry*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and expenses assumed to net to zero.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
General Revenue	Up to 2 FTE	Up to 2 FTE	Up to 2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>Up to 2 FTE</b>	<b>Up to 2 FTE</b>	<b>Up to 2 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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

#### §407.1760

**Oversight** notes this section provides that the Attorney General's Office shall establish, operate, or contract with a qualified third party to establish and operate, the Missouri Child Protection Registry composed of a secure list of contact points belonging or accessible to minors.

#### §407.1765.2

**Oversight** notes this section provides that persons desiring to send a message shall pay the Attorney General's Office a fee for access to the mechanism required. The fee shall be seven-tenths of one cent and shall be based on the number of contact points checked against the registry for each time a contact point is checked. The fees will be credited as eighty-five percent to the Children's Protection Registry fund and no less than fifteen percent to the Attorney General's Office to cover the cost of investigating, enforcing, and defending sections 407.1750 to 407.1780 of this proposal. The Attorney General's Office may also be reimbursed from the Children's Protection Registry fund for any costs incurred that exceeds the fees credited.

In response to a similar proposal from 2015, SB 179, officials from the **Attorney General's Office (AGO)** stated this proposal allows the AGO to conduct investigations. The number of potential investigations is unknown. Whether the civil penalties collected by the AGO would be enough to fully address the financial resources needed to carry out the proposal is also unknown. The AGO anticipates the addition of 1 FTE Assistant Attorney General 1 (at \$44,000 annually) and 1 FTE Investigator (at \$38,750 annually) to adequately address the intent of the proposal. The AGO may seek additional appropriations if the proposal results in a significant increase of cases. The AGO assumes a cost to the General Revenue Fund of the two FTE to total approximately \$150,000 annually.

**Oversight** will range the fiscal impact to the AGO as "up to" their estimates. Oversight will also assume that the fees allowed in Section 407.1765.2 will be sufficient to cover the AGO expenses.

ASSUMPTION (continued)

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of tampering with the Missouri Child Protection Registry, a new Class A misdemeanor.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Office of Prosecution Services** assume that the creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine. There is no measurable fiscal impact to the Office of Prosecution Services for this proposal.

Officials at the **Office of Secretary of State** replied that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost 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 Courts Administrator, State Treasurer's Office** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Macon County R-IV Schools, Wright City R-II School District, Malta Bend School District, Everton R-III School District** and **West Plains Schools** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

**Oversight** assumes the Attorney General’s Office will contract with a third party to establish and operate the registry. Oversight also assumes the third party will be paid for their services by the fees allowed in §407.1765.2, which are deposited into the new Children's Protection Registry Fund. This section also states that not less than fifteen percent of the fees shall go to the Attorney General’s Office to cover the cost of investigating, enforcing and defending this program. Oversight will reflect this as a transfer to the General Revenue Fund.

**This proposal will increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2017 (6 Mo.)	FY 2018	FY 2019
<b>GENERAL REVENUE</b>			
<u>Transfer In</u> - from the Children's Protection Registry Fund (15% of fees)	Unknown	Unknown	Unknown
<u>Cost</u> - AGO	Up to	Up to	Up to
Personal Services (Up to 2 FTE)	(\$68,958)	(\$83,578)	(\$84,413)
Fringe Benefits	(\$35,862)	(\$43,465)	(\$43,899)
Expense & Equipment	<u>(\$36,699)</u>	<u>(\$23,986)</u>	<u>(\$24,584)</u>
<u>Total Cost</u> - AGO	(Up to <u>\$141,519</u> )	(Up to <u>\$151,029</u> )	(Up to <u>\$152,896</u> )
FTE Change - AGO	Up to 2 FTE	Up to 2 FTE	Up to 2 FTE
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change for the General Revenue Fund	Up to 2 FTE	Up to 2 FTE	Up to 2 FTE

<u>FISCAL IMPACT - State</u>	FY 2017	FY 2018	FY 2019
<u>Government(continued)</u>	(6 Mo.)		

**CHILDREN'S PROTECTION  
 REGISTRY FUND**

<u>Income</u> - §407.1765 - persons desiring to send a message must pay a fee of 7/10 of 1¢ based upon the number of contact points checked against the registry	Unknown	Unknown	Unknown
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<u>Transfer Out</u> - to General Revenue - §407.1765.2 allows not less than 15% of the fees to be used by the AGO to cover the cost of investigating, enforcing, and defending this program	(Unknown)	(Unknown)	(Unknown)
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<u>Cost</u> - AGO Implementation, investigating, enforcing and defending the program	(Unknown)	(Unknown)	(Unknown)
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<b>ESTIMATED NET EFFECT TO THE    CHILDREN'S PROTECTION    REGISTRY FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2017	FY 2018	FY 2019
	(10 Mo.)		
	<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

This proposal requires the Attorney General to establish and operate the Missouri Child Protection Registry composed of a secure list of contact points belonging or accessible to minors.

FISCAL DESCRIPTION (continued)

Under this proposal, contact points may include instant messaging identities, wireless telephones, pagers, facsimiles, or email addresses.

Parents, guardians, schools, and other entities may add contact points to the registry by registering such contact points with the Attorney General. Upon registering contact points, the registrant shall be provided a disclosure as set forth in this act. The registration shall last for 3 years, and can be revoked or renewed upon notification to the Attorney General. The Attorney General shall take certain steps as set forth in this act to ensure the security of the registry.

This proposal bans any person from sending a message to a contact point that has been registered for 30 days or more if the primary purpose of the message is to advertise or otherwise link to a message that advertises gambling, intoxicating liquor, tobacco products, vapor products, controlled substances, or material pornographic for minors. Sending such a message is not prohibited if certain procedures are followed as set forth in this act. The Attorney General is also required to establish a mechanism for senders of such messages to verify compliance with the registry. If a person desires to send such a message, they shall pay the Attorney General a fee for access to the mechanism for verifying compliance at a rate of 7/10 of one cent for each time a contact is checked. Of the revenues generated, 85% shall be credited to the Child Protection Registry Fund created under this proposal, and at least 15% shall be allocated to the Attorney General to investigate, enforce, and defend this act.

A person committing the offense of tampering with the Missouri Child Protection Registry shall be guilty of a Class A misdemeanor.

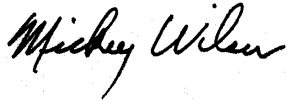
Additionally, civil action may be brought by certain individuals as set forth in this act, who may recover either actual damages or the lesser of \$5,000 for each message received by the recipient or transmitted or \$250,000 for each day the violation occurs.

This act shall become effective on January 1, 2017.

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

Attorney General's Office  
Office of State Courts Administrator  
Office of Prosecution Services  
State Public Defender's Office  
State Treasurer's Office  
Office of Secretary of State  
Malta Bend Schools  
Macon County R-IV Schools  
West Plains Schools  
Wright City R-II School District  
Everton R-III School District



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March 7, 2016

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March 7, 2016