

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 2797-01  
BILL NO. SB 666  
SUBJECT: Administrative Law; Corporations  
TYPE: Original  
DATE: January 14, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$52,989)	(\$54,628)	(\$56,056)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$52,989)</b>	<b>(\$54,628)</b>	<b>(\$56,056)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses

This fiscal note contains 4 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Office of the Attorney General (AGO)** assume they would need one additional FTE Assistant Attorney General I (\$31,500 per year), equipment and operating expenses to carry out the provisions of the proposed legislation with an estimated cost of approximately \$54,000 per full fiscal year to the General Revenue Fund.

AGO provides legal representation for the majority of state agencies in proceedings before the Administrative Hearing Commission. For example, the **Division of Liquor Control** imposes approximately 500 license suspensions per year, most of which are currently not appealed to the Administrative Hearing Commission. It is anticipated that the proposed legislation would result in an increase in the number of suspensions appealed and would require additional representation from the AGO.

In response to a similar proposal, officials from the **Department of Social Services - Division of Legal Services** assumed corporations could prolong the length of hearings by non-attorneys being allowed to make objections, present evidence, etc. If the Division of Legal Services experiences a significant increase in staff time and resources to implement this proposal, there could be a corresponding budget request.

Officials from the following agencies assume that costs incurred as a result of the proposed legislation would be zero to minimal and could be absorbed within their respective budgets: **Department of Natural Resources, Office of Administration, Department of Agriculture, Department of Conservation, Department of Corrections, Department of Economic Development, Department of Elementary and Secondary Education, Department of Health, Department of Higher Education, Department of Labor and Industrial Relations, Missouri Department of Transportation, Department of Insurance, Department of Mental Health, Department of Public Safety, Department of Revenue, Department of Social Services, and Office of State Courts Administrator.**

In response to a similar proposal, officials from the **Office of the Secretary of State** assumed there would be no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Office of the Attorney General (AGO)</u>			
Personal Service (1 FTE)	(\$26,250)	(\$32,288)	(\$33,095)
Fringe Benefits	(8,072)	(9,928)	(10,177)
Equipment and Expense	(18,667)	(12,412)	(12,784)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>(\$52,989)</b>	<b>(\$54,628)</b>	<b>(\$56,056)</b>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small businesses seeking relief in administrative hearings could experience a savings in legal expenses, as they would no longer be required to employ an attorney for such hearings.

DESCRIPTION

The proposal would expand the effect of Supreme Court Rule 5.29 to proceedings before the Administrative Hearing Commission and Worker's Compensation Commission. This would allow non-attorney officers and employees of businesses to legally represent the business in these additional forums. The current rule provides for this kind of non-attorney representation only in proceedings before the state Division of Employment Security.

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

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SOURCES OF INFORMATION

Office of the Attorney General  
Department of Social Services -- Division of Legal Services  
Department of Natural Resources  
Office of Administration  
Department of Agriculture  
Department of Conservation  
Department of Corrections  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Health  
Department of Higher Education  
Department of Labor and Industrial Relations  
Missouri Department of Transportation  
Department of Insurance  
Department of Mental Health  
Department of Public Safety  
Department of Revenue  
Department of Social Services  
Office of State Courts Administrator  
Office of the Secretary of State



Jeanne Jarrett, CPA  
Director  
January 14, 2000