

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3406-03
BILL NO.: SB 999
SUBJECT: Governor and Lt. Governor; Business and Commerce.
TYPE: Original
DATE: April 7, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$155,319)	(\$162,039)	(\$166,116)
Total Estimated Net Effect on <u>All</u> State Funds	(\$155,319)	(\$162,039)	(\$166,116)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state this proposal establishes a small business advocate within the Lieutenant Governor's Office. The duties of the small business advocate include providing advice and support to small businesses in adjudicatory and contested proceedings, negotiating small business matters with federal, state and county agencies, promoting rules and laws favorable to small businesses, and referring matters to the State Auditor. The small business advocate is required to submit an annual report to the General Assembly. The DED assumes this proposed legislation will not fiscally impact their agency.

Officials from the **Lieutenant Governor's Office (MLT)** state this proposal would provide small businesses representation before any adjudicatory or contested proceeding involving any civil citation issued by a state or county agency in which the small business is a party. The MLT assumes the Small Business Advocate may provide advice and support to any small business during any adjudicatory or contested proceeding involving any civil citation issued by a state or county agency in which the small business is a party.

According to the DED, there are 156,962 businesses in the state of Missouri that would fall within the definition of a small business (a for profit enterprise consisting of fewer than 100 full time or part time employees) for purposes of this proposal. The MLT states that if only 30% of those businesses, per year, called the office of the Small Business Advocate for legal representation, that would be 47,088 cases per year.

The MLT assumes they would need forty-six (46) FTE to implement this proposal. They would consist of one (1) Executive Director (at \$62,500 annually), forty (40) staff attorneys (at \$29,000 annually), one (1) paralegal (at \$25,000 annually) and four (4) legal secretaries (at \$22,785 annually). All salaries comparable with similar positions in the Attorney General's Office.

The MLT also assumes the need for appropriate office furniture (chairs, bookshelves, file cabinets, etc.), computer equipment, telephones, office supplies and legal supplies. Also needed would be at least five copiers, printers, typewriters and scanners.

The MLT would also be responsible for housing the new small business advocates office. The Office of Administration has informed the MLT that 200 square feet would be needed per person - for a total of 9,200 square feet. At an average rental rate of \$11.80 per square foot, this would total \$108,560 per year for leasing. Also, needed would be expenses such as janitorial services (\$9,200) and utilities (\$14,720).

Other expenses to be considered but that are unknown amounts would be: travel expenses;

ASSUMPTION (continued)

telephone service charges; Internet service charges; mailing charges; administrative supplies; and professional development.

Officials from the **State Auditor's Office** and the **Governor's Office** assume this proposal will not fiscally impact their respective agencies.

Oversight assumes this proposal would generate an unknown caseload for the newly established Small Business Advocate. Oversight assumes the program can be established in the Lt. Governor's Office with three FTE, an Executive Director, one staff attorney and one legal secretary until such time a better assessment of the future caseload can be determined.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
GENERAL REVENUE FUND			
<u>Costs</u> - Lieutenant Governor's Office			
Personal Service (3 FTE)	(\$97,618)	(\$120,071)	(\$123,072)
Fringe Benefits	(\$30,018)	(\$36,922)	(\$37,845)
Expense and Equipment	(\$27,683)	(\$5,047)	(\$5,198)
Total <u>Costs</u> - MLT	(\$155,319)	(\$162,039)	(\$166,116)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$155,319)</u>	<u>(\$162,039)</u>	<u>(\$166,116)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

A direct fiscal impact to small businesses might be expected as a result of this proposal since small businesses would be able to get advice from the Office of the Lieutenant Governor's Office

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regarding contested matters.

DESCRIPTION

This proposal establishes a small business advocate within the Lieutenant Governor's Office. The duties of the small business advocate include providing advice and support to small businesses in adjudicatory and contested proceedings, negotiating small business matters with federal, state and county agencies, promoting rules and laws favorable to small businesses, and referring matters to the State Auditor. The small business advocate is required to submit an annual report to the General Assembly.

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

SOURCES OF INFORMATION

Office of the Governor
Office of the Lieutenant Governor
Department of Economic Development
Office of the State Auditor



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Director
April 7, 2000