

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4188-02
BILL NO.: SB-913
SUBJECT: Secretary of State: Ticket scalping
TYPE: Original
DATE: February 11, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$5,000	\$5,000	\$5,000
Total Estimated Net Effect on <u>All</u> State Funds	\$5,000	\$5,000	\$5,000

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

Secretary of State officials stated that this proposal would allow licensed ticket brokers to scalp tickets provided the ticket brokers would obtain a license through the Secretary of State, and renew their license on an annual basis. The Secretary of State would promulgate rules.

SOS assumes the cost occurred in licensing ticket brokers can be absorbed. These costs include the initial drafting of rules and regulations upon the implementation of the statute, maintenance of registration records, and 5-10 hours per month spent by a Licensing Clerk in processing registrations and renewals. However, an additional FTE may be required if there is significant number of ticket brokers to be licensed and beyond what is estimated above.

Based on experience with other divisions, the rules, regulations and forms issued by the secretary of state could require as many as approximately 34 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$22.50. The estimated cost of a page in the *Code of State Regulations* is \$26.50. Costs for this proposal would be \$2,048. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

This bill does not require the Secretary of State to hire additional licensing personnel, but the cumulative effect of other bills that impose additional licensing burdens may, in the aggregate, necessitate additional staff.

This bill alone does not require the Administrative Rules Division to hire additional personnel, but the cumulative effect of other bills that require rulemaking activity may, in the aggregate, necessitate additional staff.

SOS officials estimate revenue generated from the annual registration fee of \$100 at \$5,000 in FY 2001, FY 2002, and FY 2003.

Office of State Courts Administrator officials assume no fiscal impact upon the Judiciary.

Department of Corrections officials assume no fiscal impact.

Office of Attorney General officials assume no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Income to General Revenue Fund</u> from SOS Registration Fee	\$5,000	\$5,000	\$5,000
Total net effect to General Revenue Fund	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Ticket Brokers would be fiscally impacted to the extent that they would have a minimal increase in paperwork from filing annual registrations and from paying an annual registration fee.

DESCRIPTION

This act establishes special licensing of ticket brokers for the resale of tickets to a sporting or entertainment event at a price over and above the price printed on the ticket. The provision in current law prohibiting this practice still stands with the exception of sales made by a ticket broker with the special license. The ticket broker must do business in an established location and observe any state and local business regulations. A list of all employees of the ticket broker must be available from the ticket broker. The ticket broker cannot employ anyone convicted of a violation of this section of the law within the past 12 months. The ticket broker must also set forth a system of responding to consumer complaints including a bond of at least \$100,000 for refunds. Ticket brokers engaged in the resale of tickets must register and obtain a license from the Secretary of State for a fee of \$100 annually. The ticket broker must demonstrate compliance with all requirements of this act as well as any local restrictions prior to obtaining a license. This act supercedes any city or county ordinance or order.

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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

Secretary of State
State Courts Administrator
Department of Corrections
Office of Attorney General

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
February 11, 2000