

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4270-01
Bill No.: SB 1076
Subject: Business and Commerce; Law Enforcement.
Type: Original
Date: February 11, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on <u>All</u> State Funds	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** and **Department of Public Safety - Missouri Highway Patrol** each state this proposal would not fiscally impact their respective agencies.

Officials from the **Office of the State Public Defender** assumes that existing staff could provide representation for those cases arising where indigent persons were charged with illegal access to the pawnbroker database - a class C felony. However, passage of more than one bill increasing penalties on existing crimes or creating new crimes would require the State Public Defender System to request increased appropriations to cover cumulative cost of representing the indigent accused in the now more serious cases or in the new additional cases.

Officials from the **Office of Prosecution Services** state any additional costs resulting from this proposal could be absorbed with existing resources.

Officials from the **Department of Corrections (DOC)** state that Class C felons serve an average of 15 months in prison. Currently, DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, DOC will incur a corresponding increase in operational cost either through incarceration (FY01 average of \$35.78 per inmate, per day or an annual cost of \$13,060 per inmate) or through supervision provided by the Board of Probation and Parole (FY01 average of \$3.34 per offender, per day or an annual cost of \$1,219 per offender).

In summary, supervision by DOC through probation or incarceration would result in additional unknown costs to the department. Eight (8) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

Officials from the **City of Springfield Police Department** state as a result of this proposal, there would be savings to their agency of roughly \$5,000 per year for the labor of entering pawn tickets in their database. Springfield P.D. also assumes they would incur additional costs to access the newly created database, but state the amount is yet to be determined.

Officials from the **Jefferson City Police Department** assume the fiscal impact of the pawnbroker database as unknown because of the permissive language of "Reporting pawnbrokers" and "Users".

ASSUMPTION (continued)

The cost is also dependent on the number of authorized users and the unknown costs of the third party establishing and maintaining the database.

Oversight assumes the potential personnel savings and potential database access costs are \$0 to unknown for local law enforcement authorities. These savings and costs are dependant upon participation in the program.

Oversight assumes Section 367.055 which allows a county or municipality to regulate the number of pawn shop licenses would not fiscally impact local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Cost</u> - Department of Corrections Probation or incarceration costs	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	LESS THAN <u>(\$100,000)</u>	LESS THAN <u>(\$100,000)</u>	LESS THAN <u>(\$100,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
LOCAL LAW ENFORCEMENT AUTHORITIES			
<u>Savings</u> - Possible savings of no longer entering pawn broker tickets into database	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> - Access fee to third party database of pawn broker transactions.	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL LAW ENFORCEMENT AGENCIES	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT - Small Business

This proposal would impact small business pawnshops that may be required to report their transactions electronically through the internet to the specified database.

DESCRIPTION

This proposal authorizes pawnshops to report certain information about pawnshop transactions to appropriate law enforcement authorities. Pawnshop owners may accomplish the necessary reporting by electronically transmitting the required information to a database. Any reporting pawnshop is required to submit transaction information to the database within one business day of the transaction. Such reporting pawnshop must make paper copies of transactions available to law enforcement, upon request.

The proposal authorizes the creation of a database by a third party engaged in the business of operating databases. Law enforcement may then access the database in their investigation of alleged property crimes.

Any person who fraudulently accesses the database shall be guilty of a Class C felony.

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 Public Safety - Missouri Highway Patrol
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Department of Corrections
Jefferson City Police Department
Springfield Police Department

SOURCES OF INFORMATION (continued)

**NOT RESPONDING: Kansas City Police Department, St. Louis Metropolitan
Police Department, Boone County Sheriff, Jasper County**

RS:LR:OD (12/01)

Sheriff, Cape Girardeau County Sheriff.

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial 'M'.

Mickey Wilson, CPA
Acting Director
February 11, 2002