COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0032-06
Bill No.: SB 157
Subject: Bonds-Bail; Law Enforcement Officers and Agencies; Insurance Dept.
Type: Original
Date: February 10, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Insurance Dedicated	($6,078)	$14,979	$12,808
Total Estimated Net Effect on All State Funds	**($6,078)**	**$14,979**	**$12,808**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Public Safety (DPS) - Director's Office** and **Department of Economic Development - Division of Professional Registration** assume this proposal will have no fiscal impact to their organizations.

Officials from the **DPS - Missouri Highway Patrol (MHP)** state according to the Patrol's Training Division, an increase in at least 5 instructional staff members would be needed to accommodate the requirements of the proposal. The initial cost of five additional members to the Training Division would be $439,584.

Two (2) instructors would be needed to teach defensive tactics, (primary instruction) as well as additional instructing on other courses as needed, one (1) instructor would be needed to teach firearm training, (primary instruction) as well as additional instructing on other courses as needed, two (2) instructors would be needed to cover the basic training of the bondsmen, while maintaining the current training programs that the Academy offers and five (5) recruits would be hired to replace the members reassigned to the Academy. The costs associated with the new recruits include training, personal equipment and cars.

ASSUMPTION (continued)

Salary:

5 Probationary Troopers - $31,932 x 5 = $159,660

One-Time Costs:
5 cars (with dual antenna, lights/siren/spotlight, fire extinguisher, MCD) @ $33,649= $168,245
5 recruits training, personal equipment, uniforms @ $11,357 = $56,785
Total One-Time costs - $225,030

Recurring Costs:
Maintenance/repair for cars, gasoline, ticket books, uniform allowance, ammunition and leather replacement x 5 @ $3,085 = $15,425
Maintenance for MCD x 5 @ $1,076 = $5,380
Total Recurring Costs - $20,805

This proposal would also result in an increase in Total State Revenues. The bail bondsmen would be required to attend a three-week course, which costs $1,100. This would result in revenue for the Training Division of approximately $220,000 per year ($1,100 x 200)

MHP officials also state there would be a need for additional classroom space and range points, but the cost has not yet been determined and is unknown.

Officials from the **Department of Insurance (INS)** state Missouri currently has 858 bailbond agents, 83 general bailbond agents, and 39 general bailbond corporations licensed. Based on this information, INS is estimating that the Department will license approximately 1,000 surety recovery agents. A surety recovery agent can only work for one (1) bailbond or general bailbond agent. If the bailbond agent performs his/her own fugitive recovery then (s)he would be required to be licensed as a surety recovery agent.

Based on the anticipated number of surety recovery agents, the INS is asking for one (1) additional Licensing Tech I. This person would be responsible for processing applications, producing licenses, answering questions, related data entry, and other clerical work related to this license. If the number of surety recovery agents should surpass the number estimated, additional staff may be needed.

The INS is also requesting one (1) Investigator II to investigate complaints against surety recovery agents and to review the applications of existing licensees as needed for violations, suspensions or revocations.
ASSUMPTION (continued)

The INS assumes that the examination process will be contracted out and the applicant will be responsible for the cost.

The INS's licensing database would require modification to handle this additional licensing activity. One-time contract computer programming costs of $29,240 would be needed to make modifications to the database.

The INS currently does not have the ability to produce a photo identification card. INS proposes to have the testing contractor who currently administers the tests for all our examinations to provide a photo ID which would be separate from the surety recovery agent license. The contractor would directly charge the licensee for the photo ID and the costs of the examination.

Application fees and renewal fees are estimated to be $100 per year. This would generate revenue of $100,000 (1,000 X $100) which would be deposited into the Insurance Dedicated Fund.

Oversight assumes first year (FY 04) fees per licensee would be at least $550 to cover the costs of the training as required by the proposal. Fees per licensee would be at least $1,500 in FY 05 and $1,500 in FY 06. These fees would be paid into and costs would be paid from the Insurance Dedicated Fund. Fees per licensee may be higher due to unknown facility rental expenses.

This proposal would result in an increase in Total State Revenue.

FISCAL IMPACT - State Government	FY 2004 (10 Mo.)	FY 2005	FY 2006
INSURANCE DEDICATED FUND			
Income - Department of Insurance			

Application and license renewal fees	$100,000	$100,000	$100,000
Annual training fees	More than $550,000	More than $300,000	More than $300,000
Total Income - Department of Insurance	More than $650,000	More than $400,000	More than $400,000
Costs - Department of Insurance			
Personal service costs (2 FTE)	($43,901)	($53,998)	($55,348)
Fringe benefits	($17,767)	($21,853)	($22,399)
Equipment and expense	($44,410)	($9,170)	($9,445)
Training expenses	(More than $550,000)	(More than $300,000)	(More than $300,000)
Total Costs - Department of Insurance	(More than $656,078)	(More than $385,021)	(More than $387,192)
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	**($6,078)**	**$14,979**	**$12,808**

FISCAL IMPACT - Local Government	FY 2004 (10 Mo.)	FY 2005	FY 2006
	$0	**$0**	**$0**

FISCAL IMPACT - Small Business

This proposal would increase training costs to bail bondsmen or bail bond agencies as the training would be required to obtain a license. Costs to small businesses could exceed $300,000 annually.

DESCRIPTION

This proposal requires anyone licensed under Sections 374.700 to 374.775 to complete a 20-hour classroom training program in the areas of law, field operations, skills, and first aid.

DESCRIPTION (continued)

Surety recovery agents licensed in this section be employed by no more than one bail bond agent.

Any complaints made against a person licensed under Sections 374.700 to 374.775 shall be investigated by the Department of Insurance and may be grounds for the denial of license renewal.

Persons licensed under this section shall notify local law enforcement and be accompanied by at least one local law enforcement officer when performing the duties of fugitive recovery. A bail bond agent licensed in another state must be accompanied by a local law enforcement official during an arrest.

This proposal prohibits a person licensed pursuant to Sections 374.700 to 374.775 to wear or display any uniform, badge or other insignia that purport the person to be a law enforcement official, but requires such person to carry identification cards issued by the Department of Insurance.

No person licensed in these sections shall carry any dangerous weapons, including any pistol, revolver or firearm.

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

SOURCES OF INFORMATION

Department of Economic Development
Department of Insurance
Department of Public Safety -
    Director's Office
    Missouri Highway Patrol
Office of State Courts Administrator

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