

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1331-02  
Bill No.: SCS for SB 454  
Subject: Bonds-Surety; Crimes and Punishment; Health Department; Housing; Insurance-Property; Property, Real and Personal; Waste-Hazardous  
Type: Original  
Date: May 12, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Missouri Public Health Services Fund	\$3,333	\$3,333	\$3,333
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$3,333</b>	<b>\$3,333</b>	<b>\$3,333</b>

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Office of State Courts Administrator**, the **Office of Prosecution Services**, the **State Treasurer's Office**, and the **State Public Defender** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Health and Human Services (DOH)** state this proposal would give the DOH the authority to levy fines against lead abatement contractors who haven't notified the DOH prior to conducting lead abatement projects.

The DOH assumes that it would only discover unnotified lead abatement projects since there is no mechanism for discovering which contractors are not notifying the DOH of their lead abatement projects. The DOH issued a total of 9 notices in the past three fiscal years of violation for failure to notify since FY 2000 of a lead abatement project. One of these violations was a second offense. Therefore, the DOH assumes \$3,333 on average would be collected (8 first offense x \$1,000 = \$8,000 + \$2,000 second offense = \$10,000/ 3 years).

Officials from the **Department of Corrections** stated that during the last two years the DOC has not received a case for the violation of this statute and assumes costs could be absorbed.

**This proposal affects Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>MISSOURI PUBLIC HEALTH SERVICES FUND</b>			
<u>Income - Department of Health and Senior Services</u>			
Fines	<u>\$3,333</u>	<u>\$3,333</u>	<u>\$3,333</u>
<b>ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICES FUND</b>	<b><u>\$3,333</u></b>	<b><u>\$3,333</u></b>	<b><u>\$3,333</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT - Small Business

Contractors which are small businesses could be affected by this proposal.

DESCRIPTION

This act allows the Director of the Department of Health and Senior Services to levy fines pursuant to Sections 701.300 to 701.348. All fines shall be deposited into the Public Health Services Fund.

Any lead abatement contractor that fails to notify the Department prior to starting a lead abatement project will be fined one thousand dollars for the first identified offense, two thousand dollars for the second identified offense, and thereafter fines will be double for each identified offense. Once the abatement has been completed, the lead abatement contractor must submit written notification and the final clearance inspection report to the Department.

The Director shall require the posting of a bond for lead abatement contractors. Licensees or applicants for licensure must provide evidence of their ability to indemnify any person that may

suffer damage from lead-based paint activities to which they may be liable. The licensee or applicant for licensure may provide proof of liability insurance or a surety bond in an amount to be determined by the Department, which shall not be less than \$300,000.

DESCRIPTION (continued)

Local community organizations, government agencies, and quasi-government agencies that issue grants or loans for lead abatement projects must provide written notification to the Department no later than ten days prior to the onset of a project. The failure to provide written notification will result in a fine of \$250.

In emergency situations, the community organization, government agency, or quasi-government agency must notify the Department within twenty-four hours of the onset of a lead abatement project and provide written notification to the Department within five days.

The Director shall promulgate rules and regulations for the development of educational materials that licensed lead abatement contractors can provide to property owners. The educational materials shall explain the rights and responsibilities of the property owner and the lead abatement contractor.

Current law specifies that any violation of Sections 701.308, 701.309, 701.310, 701.311 and 701.316 is a Class A misdemeanor. New language states that any subsequent violation of these sections will be a Class D 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 Health and Senior Services  
State Treasurer's Office  
State Public Defender  
Office of State Courts Administrator  
Office of Prosecution Services  
Department of Corrections

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A handwritten signature in black ink, reading "Mickey Wilson". The signature is written in a cursive, flowing style.

MICKEY WILSON, CPA  
DIRECTOR  
MAY 12, 2003