

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3570-01
Bill No.: SB 586
Subject: Business and Commerce; Crimes and Punishment
Type: Original
Date: January 15, 2010

Bill Summary: The proposal regulates sexually oriented businesses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety – Missouri State Highway Patrol, – Director’s Office, Missouri House of Representatives, Missouri Senate, Boone County Sheriff’s Department, Jefferson City Police Department,** and the **City of Centralia** assume the proposal would have no fiscal impact on their agencies.

In response to a similar proposal from the current session (SB 617, LR # 3747-01), officials from **Cass County** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of the Attorney General (AGO)** assume that costs of implementation of this proposal could be absorbed within existing resources. However, due to the nature of provision, AGO assumes this proposal has the potential to be the subject of state and federal litigation. Therefore, potential costs are unknown but assumed to be less than \$100,000.

Oversight assumes the AGO can absorb any increased costs within existing resources and reflects no fiscal impact. Oversight assumes any significant increase in the workload of the SPD would be reflected in future budget requests.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Office of Prosecution Services** assume the proposal would have no measurable fiscal impact the Office of Prosecution Services or county prosecutors.

Officials from the **City of Kansas City (CKC)** assume the legislation would cause a loss of revenue of approximately \$3,000 per year. This loss of revenue is because CKC anticipates passage of this legislation would cause the closure of six businesses in Kansas City that provide annual licensing fees of approximately \$3,000 per year. CKC also estimates there would be a loss of annual permitting fees in an indeterminate amount.

Oversight assumes cities and counties statewide could incur a loss of licensing and permitting fee revenue. Oversight assumes the statewide impact on cities and counties to be less than \$100,000 per year.

ASSUMPTION (continued)

Officials from the Buchanan County Sheriff’s Department, Clark County Sheriff’s Department, Columbia Police Department, Independence Police Department, Jackson County Sheriff’s Department, Kansas City Police Department, Platte County Sheriff’s Department, Springfield Police Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Police Department, St. Louis Metropolitan Police Department, Various Cities, and Various Counties did not respond to Oversight’s request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2011 (10 Mo.)	 FY 2012	 FY 2013
LOCAL GOVERNMENT			
<u>Losses – Cities and Counties</u>			
Licensing fees	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
 ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	 <u>(Less than \$100,000)</u>	 <u>(Less than \$100,000)</u>	 <u>(Less than \$100,000)</u>

FISCAL IMPACT - Small Business

Small businesses that are sexually oriented in nature could experience a fiscal impact as a result of this proposal.

FISCAL DESCRIPTION

The proposal regulates sexually oriented businesses:

After August 28, 2010, no person shall establish a sexually oriented business within 1000 feet of a preexisting school, house of worship, state-licensed day care, public library, public park, residence, or other sexually oriented business.

No person shall establish a sexually oriented business if a person with an influential interest in such business has been convicted of, or released from confinement, for certain crimes within the last eight years.

The proposal prohibits a person from knowingly appearing nude in a sexually oriented business. No employee of such a business shall knowingly appear in a semi-nude condition, unless he or she remains on a stage at least six feet from the patrons and at least eighteen inches from the floor in a room that is at least 600 square feet. Also, such employees appearing semi-nude shall not knowingly touch a patron or the clothing of a patron.

A sexually oriented business that exhibits films, videos, or other reproductions with an emphasis on displaying specified sexual activities or specified anatomical areas must comply with the following requirements:

- 1) The operator's station must have an unobstructed view of all areas where patrons are permitted except the restroom;
- 2) The operator's station must not exceed 32 square feet;
- 3) If more than one operator's station exists, there must be an unobstructed view of each area where patrons are permitted from at least one of the operator's stations;
- 4) The view from the operator's station must be by direct line of sight;
- 5) The operator shall ensure that at least one employee is on duty in the operator's station at all times patrons are there; and
- 6) The operator and employees must ensure that view areas remain unobstructed.

Sexually oriented businesses that do not meet the requirements for stages or interior specifications on August 28, 2010, shall have 180 days to comply. During such period, any employee who appears semi-nude shall remain at least six feet from all patrons.

FISCAL DESCRIPTION (continued)

No sexually oriented business shall be open between the hours of midnight and 6:00 a.m and no person shall knowingly sell, use, or consume alcohol on the premises. No person shall knowingly allow a person under the age of eighteen on the premises.

In order to violate the provisions of this proposal, the person must have committed such acts knowingly or recklessly. An act of an employee shall be imputed to the business, only if an officer or manager knowingly or recklessly allows such act to occur on the premises. A violation of this proposal shall be deemed a misdemeanor punishable by a fine not to exceed \$500 or imprisonment not to exceed 90 days. Any business repeatedly operated in violation of this act shall constitute a public nuisance and shall be subject to civil abatement proceedings.

Nothing in this proposal shall prevent a political subdivision from enacting local ordinances regulating sexually oriented businesses.

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

The proposal contains a severability clause.

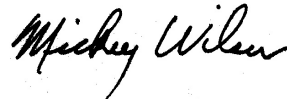
SOURCES OF INFORMATION

Office of the Attorney General
Office of State Courts Administrator
Department of Public Safety
 – Missouri State Highway Patrol
 – Director's Office
Missouri House of Representatives
Office of Prosecution Services
Missouri Senate
Boone County Sheriff
Jefferson City Police Department
City of Centralia
City of Kansas City
Cass County

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NOT RESPONDING

**Buchanan County Sheriff, Clark County Sheriff, Columbia Police Department,
Independence Police Department, Jackson County Sheriff, Kansas City Police Department,
Platte County Sheriff, Springfield Police Department, St. Charles Police Department, St.
Joseph Police Department, St. Louis County Police Department, St. Louis Metropolitan
Police Department, Various Cities, Various Counties**



Mickey Wilson, CPA
Director
January 15, 2010