

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1303-01
Bill No.: SB 258
Subject: Professional Registration and Licensing
Type: Original
Date: February 22, 2019

Bill Summary: This proposal modifies provisions relating to professional registration.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|--|--|--|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Various DIFP Funds | (Could be greater than \$159,579) | (Could be greater than \$184,872) | (Could be greater than \$186,527) |
| | | | |
| Total Estimated Net Effect on Other State Funds | (Could be greater than \$159,579) | (Could be greater than \$184,872) | (Could be greater than \$186,527) |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Various DIFP Funds | 2 FTE | 2 FTE | 2 FTE |
| | | | |
| Total Estimated Net Effect on FTE | 2 FTE | 2 FTE | 2 FTE |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Section 324.019

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume this proposal requires that seventeen state licensing authorities list the specific criminal convictions that could disqualify an applicant from receiving a license. Further, these licensing authorities shall only list criminal convictions that are specific and directly related to the duties and responsibilities for the licensed occupation. Currently no such list exists. As a result, the department would need ongoing attorney services for licensing authorities to develop the list and determine which convictions are "specific and directly related" to the type of license being applied for. Legal staff would also be required to research all criminal conviction types from each of the other states to determine if they are relevant to the license type being applied for. In order to maintain a list that is accurate and up-to-date, continuous research regarding various state conviction definitions will be required. The "list" must be maintained as promulgated regulations or it would constitute an unpromulgated rule. Accordingly, legal staff would be essential in promulgating rules for these licensing authorities within the department. The department estimates at least \$159,579 in additional FTE or legal contract costs annually (estimating two attorney FTE at \$59,124 annually or work in the affected boards in the department) to various department funds annually for this work. The exact costs could be greater. The department would need to request additional FTE and/or expense appropriation through the budget process to handle this additional workload.

Based on their response, **Oversight** assumes the DIFP will need at least 2 attorneys and may or may not incur additional unknown cost for either or both contracting and additional legal staff as a result of this proposal. Oversight will reflect the estimated DIFP cost as (Could be greater than \$159,579) in FY 2020, (Could be greater than \$184,872) in FY 2021 and (Could be greater than \$186,527) in FY 2022.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Department of Revenue**, the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Agriculture**, the **Department of Transportation** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **St. Francois County Assessor**, **City of Springfield**, **City of Columbia**, **Monroe County Assessor** and **Kansas City** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|---|---|---|
| VARIOUS DIFP FUNDS | | | |
| <u>Cost - DIFP</u> | | | |
| Salaries | (\$98,540) | (\$119,430) | (\$120,625) |
| Fringe Benefits | (\$51,045) | (\$61,614) | (\$61,978) |
| Equipment and Expense | (\$9,994) | (\$3,828) | (\$3,924) |
| Other Fund Cost (Additional FTE or | \$0 to | \$0 to | \$0 to |
| Legal Contract Cost for listing criminal | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| convictions) | | | |
| <u>Total Cost - DIFP</u> | (Could be greater than <u>\$159,579</u>) | (Could be greater than <u>\$184,872</u>) | (Could be greater than <u>\$186,527</u>) |
| FTE Change - DIFP | 2 FTE | 2 FTE | 2 FTE |
| ESTIMATED NET EFFECT TO VARIOUS DIFP FUNDS | (Could be greater than <u>\$159,579</u>) | (Could be greater than <u>\$184,872</u>) | (Could be greater than <u>\$186,527</u>) |
| Estimated Net FTE Change to Various DIFP Funds | 2 FTE | 2 FTE | 2 FTE |
| <u>FISCAL IMPACT - Local Government</u> | | | |
| | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Under this act, all state and political subdivision licensing authorities are required to explicitly list the specific criminal offenses, civil penalties or judgments, or disciplinary actions taken by other licensing authorities that would disqualify an applicant from receiving a license.

Beginning August 28, 2019, applicants for licensure who have pleaded guilty to, entered a plea of nolo contendere to, or been found guilty of any offenses set forth in the act may be considered by licensing authorities to have committed a criminal offense that directly relates to the duties and responsibilities of a licensed profession.

Any requirement of a licensing authority that assesses the character or moral fitness of the applicant for licensure shall be limited to consideration of the criminal offenses, civil penalties or judgments, or disciplinary actions taken by other licensing authorities. If an applicant is denied licensure under this act, the applicant may appeal the decision and request a hearing before the licensing authority, which may reverse its initial decision.

Licensing authorities shall meet these licensing requirements within 10 months of August 28, 2019.

If the state, on or after August 28, 2019, requires a license to practice an occupation or profession for which no license was required before August 28, 2019, the licensing authority shall establish a list of disqualifying criminal offenses and ensure that its consideration of moral fitness is limited in accordance with this act.

The provisions of this act shall only apply to the professions and occupations set forth in the act.

Provisions of law relating to the denial of licensure, denial of license renewal, or revocation of a certificate of registration based on a crime or offense involving moral turpitude are repealed for the following occupations and professions:

- Acupuncturists;
- Appraisers;
- Athlete Agents;
- Barbers;
- Behavior Analysts;

FISCAL DESCRIPTION (continued)

- Boxing and Wrestling;
- Cosmetologists;
- Dietitians;
- Endowed Care Cemetery Operators;
- Geologists;
- Hearing Instrument Specialists;
- Marital and Family Therapists;
- Occupational Therapists;
- Private Investigators;
- Professional Counselors;
- Social Workers; and
- Tattooing, Branding, and Body Piercing.

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 Insurance, Financial Institutions and Professional Registration
Office of Administration
 Administrative Hearing Commission
Department of Revenue
Department of Health and Senior Services
Department of Natural Resources
Department of Agriculture
Department of Transportation
Department of Public Safety
 Missouri Highway Patrol
St. Francois County Assessor
City of Springfield
City of Columbia
Monroe County Assessor
Kansas City



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February 22, 2019

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