

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0922H.07T
Bill No.: Truly Agreed To and Finally Passed CCS for SS No. 2 for SCS for HB 273
Subject: Professional Registration and Licensing; Military Affairs; Architects; Engineers;
Psychologists; Pharmacy; Athletics; Insurance - General
Type: Original
Date: June 8, 2021

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue Fund	(\$6,463)	(\$15,822)	(\$16,139)
Total Estimated Net Effect on General Revenue	(\$6,463)	(\$15,822)	(\$16,139)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Section 324.009 - Licensing Reciprocity

Officials from the **Department of Health and Senior Services** state this legislation revises the professional licensing reciprocity criteria necessary to legally practice an occupation or profession in the state of Missouri. Applicants for licensure under the proposed legislation would fall under the same reciprocity process, fee and review as current applicants.

Changing regulations and applicant licensure reviews are within the normal duties for the Division of Regulation and Licensure. Minimal time and expense will be required to conduct the requirements of the proposed legislation. The department anticipates being able to absorb these costs; however, until the FY22 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Section 324.012 – Fresh Start Act Provisions

Officials from the **Department of Commerce and Insurance** state this section of the proposal is anticipated to have no fiscal impact to the department. However, should the extent of the work be more than anticipated, the department would request additional appropriation and/or FTE through the budget process.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Section 324.087 - Occupational Therapy Licensure Compact

Officials from the **Department of Commerce and Insurance (DCI)** state that the compact will be effective when it is enacted into law in the tenth member state. It is uncertain if the compact would be enacted in FY22, FY23 or FY24. Once the compact is enacted DCI would have the following fiscal impact: \$3,000 to \$6,000 estimated annual fee to participate in the compact.

Oversight assumes DCI is provided with core funding to handle a certain amount of activity each year. Oversight assumes DCI could absorb the costs related to this proposal and assumes the annual fee revenue is not material. If multiple bills pass which require additional staffing and duties at substantial costs, DCI could request funding through the appropriation process.

Section 375.029 – Continuing Education Credits for Insurance Producers

Officials from the **Department of Commerce and Insurance** anticipate no fiscal impact from the provisions of this section if an online, electronic method is utilized to capture continuing education credits for membership in professional organizations. The department has contacted

the National Association of Insurance Commissioners' (NAIC) State Based Systems (SBS), the current online system utilized by department for continuing education confirmation of licensees, to confirm an electronic process was available. SBS believes their system can be used to capture approved continuing education credit for professional organizations. The professional organization seeking continuing education credit will be setup as a provider of continuing education in SBS with the director-approved continuing credit hours for membership. The professional organization would then submit a course roster for all licensees who are active members of the organization. Currently, the professional organization may have to pay a \$1 per credit hour cost to upload the roster, but the department will work with the NAIC/SBS on options.

If an electronic process is not possible, the department would be required to use a manual process for processing renewal applications of licensees that wanted to receive professional organization membership continuing education credit approved by the director. Licensing may need to request additional FTE and appropriation to assist with any manual process and would do so through the department's budget request.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Sections 436.218 – 436.266 – Athlete Agents

Officials from the **Department of Corrections** state this section of the proposal modifies provisions of the licensing and Uniform Athlete Agents Act. Section 436.263 states that violation of these offenses is a class A misdemeanor. Knowingly violating these terms is a class E felony.

Since this is a new offense, the department will use a standard class E felony response. For each new nonviolent class E felony, the department estimates one person will be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2024.

The DOC cost of incarceration is \$21.251 per day or an annual cost of \$7,756 per offender. The DOC cost of probation or parole is determined by the number of P&P Officer II positions that would be needed to cover the new caseload.

Non-violent E felony:

	# to prison	Cost per year	Total Costs for prison	# to probation & parole	Cost per year	Total cost for probation and parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	1	(\$7,756)	(\$6,463)	2	absorbed	\$0	(\$6,463)
Year 2	2	(\$7,756)	(\$15,822)	4	absorbed	\$0	(\$15,822)
Year 3	2	(\$7,756)	(\$16,139)	7	absorbed	\$0	(\$16,139)
Year 4	2	(\$7,756)	(\$16,461)	7	absorbed	\$0	(\$16,461)
Year 5	2	(\$7,756)	(\$16,791)	7	absorbed	\$0	(\$16,791)
Year 6	2	(\$7,756)	(\$17,127)	7	absorbed	\$0	(\$17,127)
Year 7	2	(\$7,756)	(\$17,469)	7	absorbed	\$0	(\$17,469)
Year 8	2	(\$7,756)	(\$17,818)	7	absorbed	\$0	(\$17,818)
Year 9	2	(\$7,756)	(\$18,175)	7	absorbed	\$0	(\$18,175)
Year 10	2	(\$7,756)	(\$18,538)	7	absorbed	\$0	(\$18,538)

Oversight will reflect the cost of \$6,463 in FY 2022, \$15,822 in FY 2023 and \$16,139 in FY 2024 to the General Revenue Fund as estimated by the DOC.

Oversight notes that DCI reports that there are currently 71 licensed athlete agents in Missouri.

Oversight notes Section 436.263 allows for a civil penalty not to exceed \$100,000 for violations of Sections 436.215 – 436.272 (Athlete Agents). Oversight will reflect this potential as a \$0 or unknown amount of civil penalty revenue to local school districts.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** noted many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain within their core budget. Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Bill as a whole:

Officials from the **Attorney General's Office**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Revenue**, the **Department of Public Safety- Missouri National Guard**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Social Services**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, the **Missouri Office of Prosecution Services**, the **Office of the State Courts Administrator**, the **Missouri House of Representatives**, the **Missouri Senate** and the **University of Central Missouri** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Office of Administration - Administrative Hearing Commission** state this legislation will not significantly alter its caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Cost – DOC Incarceration cost (§§436.218 – 436.266) p. 4-5</u>	<u>(\$6,463)</u>	<u>(\$15,822)</u>	<u>(\$16,139)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$6,463)</u>	<u>(\$15,822)</u>	<u>(\$16,139)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
SCHOOL DISTRICTS			
<u>Civil Penalty Revenue - §436.263 - \$100,000 civil penalty_p. 6</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT TO SCHOOL DISTRICTS	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

FISCAL IMPACT – Small Business

Small business occupational therapist and occupational therapy assistants would now be eligible to practice in other member states and could be fiscally impacted as a result of this proposal.

Small architecture, engineering and landscape architect businesses could be fiscally affected as a result of this proposal.

Authorized discipline against real estate licensees could cause a direct fiscal impact to any licensed or previously licensed real estate broker, salesperson, broker-salesperson, appraiser, or appraisal manager as a result of this proposal.

Small business athlete agents could be impacted by this proposal by modifying the Uniform Athlete Agents Act.

A small business entity that receives compensation from a real estate broker as provided for in this legislation may be fiscally impacted.

Small business pharmacists could be impacted by this proposal.

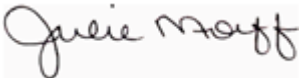
FISCAL DESCRIPTION

This proposal modifies provisions relating to licensed professionals.

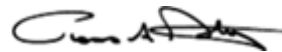
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Office of Administration - Administrative Hearing Commission
Department of Commerce and Insurance
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Revenue
Department of Public Safety
 Missouri National Guard
 Missouri Highway Patrol
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Department of Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules
Missouri House of Representatives
Missouri Senate
University of Central Missouri



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June 8, 2021



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