

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 2808-01
BILL NO. SB 648
SUBJECT: Administrative Law; Attorneys
TYPE: Original
DATE: January 14, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$52,989)	(\$54,628)	(\$56,056)
Total Estimated Net Effect on <u>All</u> State Funds	(\$52,989)	(\$54,628)	(\$56,056)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General (AGO)** assume they would need one additional FTE Assistant Attorney General I (\$31,500 per year), equipment and operating expenses to carry out the provisions of the proposed legislation with an estimated cost of approximately \$54,000 per full fiscal year to the General Revenue Fund.

AGO provides legal representation for the majority of state agencies in proceedings before the Administrative Hearing Commission. For example, the **Division of Liquor Control** imposes approximately 500 license suspensions per year, most of which are currently not appealed to the Administrative Hearing Commission. It is anticipated that the proposed legislation would result in an increase in the number of suspensions appealed and would require additional representation from the AGO.

In response to a similar proposal, officials from the **Department of Social Services - Division of Legal Services** assumed corporations could prolong the length of hearings by non-attorneys being allowed to make objections, present evidence, etc. If the Division of Legal Services experiences a significant increase in staff time and resources to implement this proposal, there could be a corresponding budget request.

Officials from the following agencies assume that costs incurred as a result of the proposed legislation would be zero to minimal and could be absorbed within their respective budgets: **Department of Natural Resources, Office of Administration, Department of Agriculture, Department of Conservation, Department of Corrections, Department of Economic Development, Department of Elementary and Secondary Education, Department of Health, Department of Higher Education, Department of Labor and Industrial Relations, Missouri Department of Transportation, Department of Insurance, Department of Mental Health, Department of Public Safety, Department of Revenue, Department of Social Services, and Office of State Courts Administrator.**

In response to a similar proposal, officials from the **Office of the Secretary of State** assumed there would be no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Costs - Office of the Attorney General (AGO)

Personal Service (1 FTE)	(\$26,250)	(\$32,288)	(\$33,095)
Fringe Benefits	(8,072)	(9,928)	(10,177)
Equipment and Expense	(18,667)	(12,412)	(12,784)

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

	(\$52,989)	(\$54,628)	(\$56,056)
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FISCAL IMPACT - Local Government

FY 2001 (10 Mo.)	FY 2002	FY 2003
\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small businesses seeking relief in administrative hearings could experience a savings in legal expenses, as they would no longer be required to employ an attorney for such hearings.

DESCRIPTION

The proposal would allow corporations to designate an individual who is not an attorney to represent them in any proceeding before the Administrative Hearing Commission or any other state agency. Such representation would not be deemed to be the practice of law.

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

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SOURCES OF INFORMATION

Office of the Attorney General
Department of Social Services -- Division of Legal Services
Department of Natural Resources
Office of Administration
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health
Department of Higher Education
Department of Labor and Industrial Relations
Missouri Department of Transportation
Department of Insurance
Department of Mental Health
Department of Public Safety
Department of Revenue
Department of Social Services
Office of State Courts Administrator
Office of the Secretary of State

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive "Jarrett".

Jeanne Jarrett, CPA
Director
January 14, 2000