

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4554-08
Bill No.: HCS No. 2 for HB 1213
Subject: Revenue Department; Motor Vehicles
Type: Original
Date: April 24, 2012

Bill Summary: This proposal gives priority in the fee office competitive bidding process to non-profits, specifies that a state employee who works 10 hour days is not required to take two hours of vacation leave for paid holidays, authorizes conveyance of property in the City of Macon, establishes the Missouri Advisory Board and requires reimbursement to Bi-State Development Agency.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Public Defender, Office of the State Treasurer, Missouri Department of Conservation, Department of Labor and Industrial Relations, Office of the State Courts Administrator, Office of the State Auditor, Department of Insurance, Financial Institutions and Professional Registration, Department of Natural Resources, Department of Economic Development - Missouri Housing Development Commission, Department of Economic Development - Missouri Arts Council, Department of Economic Development - Office of Public Council, Department of Economic Development - Missouri Public Service Commission, Department of Agriculture, Department of Health and Senior Services and Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from this year (HB 1836), officials from the **Department of Transportation** assumed the proposal would have no fiscal impact on their organization.

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

Section 136.055

Officials from the **Department of Revenue (DOR) - License Offices Bureau (LOB)** will work with Office of Administration to amend existing license office contracts awarded to not-for-profit organizations to include the annual report requirement and will ensure the report is submitted timely each year. LOB will work with OA to revise future RFPs and bid evaluation procedures to provide for the preference and additional points referenced in this legislation. This will be minimal impact.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal.

ASSUMPTION (continued)

Section 186.070

Officials from the **Department of Revenue** state the impact of this proposal is unknown. The Department has established a " Medical/Vision Advisory Board" according to the provisions of 302.292. It is unclear whether the Missouri Advisory Boards and Commissions Association will have association fees and if the Medical/Vision Advisory Board would decide to join, if these fees associated with the association would be charged to the Department.

Officials from the **Missouri Senate** and **Office of the Governor** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Lieutenant Governor** did not respond to Oversight's request for fiscal impact.

Oversight assumes this will not have a fiscal impact to state government.

Section 105.935

In response to a similar proposal from this year (HB 1632), officials at the **Alcohol & Tobacco Control, Capitol Police, Department of Corrections, Department of Health and Senior Services, Department of Higher Education, Department of Social Services, Fire Safety, Missouri Department of Transportation, Missouri Gaming Commission, and State Emergency Management Agency** assumed no fiscal impact from this proposal

Officials from the **Office of Administration** state the addition of item 8 in 105.935, RSMo would result in limited, if any, fiscal impact. In situations where an employee would normally work a 10 hour shift but is instead granted that shift off because of a state holiday, the 2 hour difference had previously been made up by various means, including the employee using annual leave or making up the time on other days in that work week. The impact should be negligible as it simply gives the employee an additional choice to make up the 2 hour difference by using leave without pay

Officials at the **Missouri Veterans Commission** has employees who work 10 hour days so the impact is unknown.

ASSUMPTION (continued)

Officials at the **Department of Elementary and Secondary Education** assume they have 141 employees that would be affected by this proposal. The Department believes that the cost would be less than \$100,000.

In response to a similar proposal from this year (HB 1632), officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes that since most agencies have a policy in place to give the employee options during the holiday weeks this proposal would have little to no impact on state revenue.

Section 70.441

In response to a similar proposal from last year, HB 857, officials from the **Bi-State Development Agency** assumed the revenue received as a result of this proposal would neutralize the annual cost attributable to the enforcement, investigation, and prosecution of offenses and create a favorable financial impact. It will create a savings.

In response previous version of this proposal, officials from the **County of St. Louis** assumed the proposal would not fiscally impact their county.

Officials from the **City of St. Louis** did not respond to Oversight's request for fiscal impact.

ASSUMPTION (continued)

Oversight assumes that revenues received from unpaid fares, fines, and fees to the Bi-State Development Agency will be offset by the costs of collection to the agency.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
-----------------------------------------	---------------------	---------	---------

LOCAL GOVERNMENT
 (Section 70.441)

<u>Revenues</u> - Bi-State Development			
Reimbursement of unpaid fares and fees	Unknown	Unknown	Unknown

<u>Costs</u> - Bi-State Development			
Enforcement, investigation and prosecution related to unpaid fares and fees	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
-------------------------------------------------	------------	------------	------------

FISCAL IMPACT - Small Business

Small businesses that are a not-for-profit and are located within the same community as the license office on which it is bidding will be positively affected. A small business that isn't a not-for-profit and its competing bidding is one, will be negatively affected.

FISCAL DESCRIPTION

Currently, the Director of the Department of Revenue must give priority to a tax-exempt organization or a political subdivision when awarding a fee office contract in the competitive bidding process. This substitute requires the department director to give priority to a tax-exempt organization and an entity whose primary administrative office is located within the county, legislative district, or senatorial district as the fee office bid upon. Organizations which are registered with the United States Internal Revenue Service as a 501(c)(19) designation, which include posts or organizations of past or present members of the armed forces, are added to the list of organizations that are to be given priority in the bidding process.

A point preference award process is established to give preference to organizations and entities currently operating a fee office, organizations and entities which have operated fee offices in the past, and to those organizations and entities with lower administrative costs.

An organization which is awarded a fee office will be required to submit to the department certain specified financial records and a list of the charities benefitting from the fees collected. It must also prominently display a list of all benefitting charities from the collected fees at its business location.

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

Alcohol & Tobacco Control
Bi-State Development Agency
Capitol Police
County of St. Louis
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources

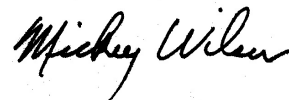
KC:LR:OD

SOURCES OF INFORMATION (Continued)

Department of Revenue
Department of Social Services
Fire Safety
Joint Committee on Administrative Rules
Missouri Department of Transportation
Missouri Gaming Commission
Missouri Highway Patrol
Missouri Senate
Missouri Veterans Commission
Office of Administration
Office of the Governor
Office of the Secretary of State
Office of State Courts Administrator
Office of the State Public Defender
Office of the State Auditor
Office of State Treasurer
State Emergency Management Agency

NOT RESPONDING

City of St Louis
Missouri Lieutenant Governor



Mickey Wilson, CPA
Director
April 24, 2012