

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2135-01  
Bill No.: HB 1156  
Subject: Entertainment, Sports and Amusements; Licenses Miscellaneous; Department of Insurance, Financial Institutions and Professional Registration  
Type: Original  
Date: April 11, 2017

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Bill Summary: This proposal modifies provisions relating to certain sports contest.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Office of Athletics Fund	Up to (\$27,400)	Up to (\$27,400)	Up to (\$27,400)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>Up to (\$27,400)</b>	<b>Up to (\$27,400)</b>	<b>Up to (\$27,400)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP) - Office of Athletics** estimate there would be an additional 50 amateur events each year that would require investigation by Office of Athletics investigators. Additional FTE are not expected to be needed, but the Office of Athletics will incur additional travel costs, some with overnight stays, estimated at an average of \$274 per event at 50 events for 2 investigators at a total of \$27,400 in additional cost to the Office of Athletics Fund.

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.

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization.

Officials from the **Office of the Attorney General** did not respond to Oversight's request for fiscal impact for this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>OFFICE OF ATHLETICS FUND</b>			
<u>Costs - DIFP</u>			
Travel Expenses	<u>Up to (\$27,400)</u>	<u>Up to (\$27,400)</u>	<u>Up to (\$27,400)</u>
<b>OFFICE OF ATHLETICS FUND</b>	<b><u>Up to (\$27,400)</u></b>	<b><u>Up to (\$27,400)</u></b>	<b><u>Up to (\$27,400)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill adds amateur mixed martial arts to the sports contests over which the Division of Professional Registration has control.

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

L.R. No. 2135-01  
Bill No. HB 1156  
Page 5 of 5  
April 11, 2017

SOURCES OF INFORMATION

Office of the Secretary of State  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Revenue



Mickey Wilson, CPA  
Director  
April 11, 2017

Ross Strobe  
Assistant Director  
April 11, 2017