

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2567-01  
Bill No.: HB 1097  
Subject: Environmental Protection; Property, Real and Personal; Natural Resources Dept.  
Type: Original  
Date: February 23, 2004

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
MoPHS Fund	Unknown less than \$5,000	Unknown less than \$5,000	Unknown less than \$5,000
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>Unknown less than \$5,000</b>	<b>Unknown less than \$5,000</b>	<b>Unknown less than \$5,000</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 2005</b>	<b>FY 2006</b>	<b>FY 2007</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of State Courts Administrator, Office of State Public Defender, Office of State Treasurer and Department of Natural Resources** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state the proposal should not result in additional costs or savings to the BAP. However, the proposal would increase total state revenue.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through either incarceration (FY 03 average of \$38.10 per inmate per day or an annual cost of \$13,907 per inmate) or through supervision provided by the Board of Probation and Parole (FY 03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender per year).

ASSUMPTION (continued)

The DOC assumes the narrow scope of the crime will not encompass a large number of offenders. The low felony status of the crime enhances the possibility of plea-bargaining or the imposition of a probation sentence. The probability also exists that offenders would be charged with a similar but more serious offence of that sentences may run concurrent to one another.

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Health and Senior Services (DOH)** state because the DOH would only find out if a lead abatement contractor failed to notify DOH of a project if a homeowner complained, it is difficult to estimate the fine revenue that would be generated by this legislation. However, DOH assumes that a vast majority of contractors will be compliant in reporting their projects. Therefore, DOH estimates there will likely be five or fewer contractors who fail to notify the department of a project in any given fiscal year, and if a contractor is fined for their first offense, they will likely notify DOH of future projects, resulting in no second-offense fines. The DOH estimates a fiscal impact of less than \$5,000 for the first three fiscal years that would be deposited in the Missouri Public Health Services Fund (MoPHS).

Officials from the **City of Kansas City (CKC)** state the proposal could have an unknown adverse fiscal impact on the CKC. The proposal will directly impact the Childhood Lead Poisoning Prevention program and the Federal grants administered by the program. It could also impact the CKC's ability to provide lead hazard control by decreasing the city's lead abatement contractor capacity due to the fines proposed in Section 701.309. The imposition of fines could result in the CKC's inability to complete contractual obligations associated with its \$1.68 million lead hazard control grant from the U.S. Department of Housing and Urban Development (HUD). Failure to meet grant objectives could result in a loss of current and future funding availability from HUD, as well as the personnel associated with these grants. The loss of contractors would decrease the ability of the CKC to reduce lead hazards in residential homes.

**Oversight** assumes the imposition of fines for not notifying the Department of Health and Senior Services of the start of a lead abatement project will not result in a significant decrease in the number of lead abatement contractors. **Oversight** therefore, assumes the potential cost to local governments to be \$0.

Officials from the **Office of Prosecution Services, St. Louis County** and **City of St. Louis** did not respond to our request for a statement of fiscal impact.

**This proposal will result in an increase in Total State Revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**MoPHS FUND**

Income - Department of Health and Senior Services

Fines	<u>Unknown less than \$5,000</u>	<u>Unknown less than \$5,000</u>	<u>Unknown less than \$5,000</u>
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**ESTIMATED NET EFFECT ON MoPHS FUND**

<u>Unknown less than \$5,000</u>	<u>Unknown less than \$5,000</u>	<u>Unknown less than \$5,000</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small businesses lead abatement contractors may be impacted if they incur fines.

DESCRIPTION

This proposal revises provisions pertaining to lead poisoning abatement projects.

The Director of the Department of Health and Senior Services can levy fines against persons who violate regulations and statutes pertaining to lead abatement. Revenues from the fines will be deposited in the Public Health Services Fund.

If a lead abatement contractor fails to notify the department prior to the commencement of a lead abatement project, the contractor will be fined \$1,000 for the first offense and \$2,000 for the second offense. Subsequent violations by contractors will be considered a class D felony and will result in doubling of the fines.

The proposal also requires contractors to submit a final inspection certification to the department after completing a lead abatement project.

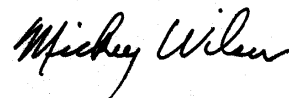
DESCRIPTION (continued)

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

Office of Administration -  
    Division of Budget and Planning  
City of Kansas City  
Office of State Courts Administrator  
Department of Natural Resources  
Department of Corrections  
Department of Health and Senior Services  
Office of State Public Defender  
Office of State Treasurer

**NOT RESPONDING: Office of Prosecution Services, St. Louis County and City of St. Louis**



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Director  
February 23, 2004