

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1410-01
Bill No.: HB 482
Subject: Architects; Engineers; Licenses - Professional
Type: Original
Date: March 28, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Board of Architects, Professional Engineers, Land Surveyors, and Landscape Architects*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Offsetting expenses and recovery of expenses net to \$0.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **Office of Prosecution Services** assume the proposal will have no significant direct fiscal impact on county prosecutors.

Officials from the **Office of Administration - Administrative Hearing Commission** assume the proposal will not significantly alter its caseload. However, if other similar bills also pass, there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** state having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), they are of the opinion that the proposal, in its present form will have no fiscal impact on the DED-PR. Any civil penalties collected will be deposited in the state general revenue fund. The recovering of expenses will result in a “wash” to the board fund.

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

ASSUMPTION (continued)

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 04 average of \$38.37 per inmate per day or an annual cost of \$14,005 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).

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 **Office of Secretary of State (SOS)** state the proposal authorizes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects to impose civil penalties against licensed and unlicensed persons. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development could require as many as 4 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not published in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded, and withdrawn. The SOS estimates the cost of the proposal to be \$246 [(4 pgs. X \$27) + (6 pgs. X \$23)] for FY 06.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Attorney General (AGO)** state the proposal allows the Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects to

ASSUMPTION (continued)

review and file complaints against licensees with the Administrative Hearing Commission, and issue orders imposing civil penalties. The Board is given investigative powers, including the authority to issue subpoenas.

The AGO assumes that it would need 0.5 FTE Assistant Attorney General II to assist the Board in issuing and enforcing subpoenas, representation at administrative hearings and enforcing and recovering civil penalties. The AGO assumes FY 06 costs of \$31,088; FY 07 costs of \$37,504; and FY 08 costs of \$38,491.

Oversight assumes the AGO would not hire 0.5 FTE and would absorb the additional duties with existing staff. In addition, **Oversight** assumes any additional costs incurred would be reimbursed by the Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects.

The proposal could result in an increase in total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Income - Department of Economic Development - Division of Professional Registration</u>			
Collected civil penalties	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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**BOARD OF ARCHITECTS,
 PROFESSIONAL ENGINEERS,
 LAND SURVEYORS, AND
 LANDSCAPE ARCHITECTS FUND**

Income - Department of Economic
 Development - Division of Professional
 Registration

Recovery of expenses in investigations and hearings	Unknown	Unknown	Unknown
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Costs - Department of Economic
 Development - Division of Professional
 Registration

Expenses of investigations and hearings	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 BOARD OF ARCHITECTS,
 PROFESSIONAL ENGINEERS,
 LAND SURVEYORS, AND
 LANDSCAPE ARCHITECTS FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

The proposal will impact small business that incur civil penalties and litigation/administrative hearing costs as a result of the proposal.

DESCRIPTION

This proposal authorizes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects to impose civil penalties upon any person practicing these professions without a valid license, subject to an administrative action by the board.

DESCRIPTION (continued)

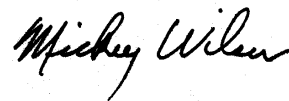
Complaints must be filed with the Administrative Hearing Commission. If the commission finds that an unlicensed person has violated the provisions of the proposal, the board may issue a civil penalty not to exceed \$5,000 for each day of violation, with a maximum penalty of \$25,000. The person being fined has the right to appeal to a circuit court. Once the case is finalized, the Attorney General will commence an action to recover the penalty, including court costs, attorney fees, and surcharges.

The board is also authorized to assess reasonable costs and expenses incurred in conducting the investigation and administrative hearing and impose a civil penalty against a licensee after the commission has found a cause for discipline.

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 Attorney General
Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Corrections
Department of Revenue
Office of Prosecution Services
Office of Secretary of State
Office of State Public Defender



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