

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1459-01
Bill No.: HB 494
Subject: Environmental Protection; Health Dept.; Crimes and Punishment
Type: Original
Date: April 7, 2005

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| MoPHS | Unknown less than \$5,000 | Unknown less than \$5,000 | Unknown less than \$5,000 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | Unknown less than \$5,000 | Unknown less than \$5,000 | Unknown less than \$5,000 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 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 Administration - Division of Budget and Planning, Office of State Courts Administrator, Department of Natural Resources and Office of State Public Defender** assume the proposal will have no fiscal impact on their organizations.

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 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.

ASSUMPTION (continued)

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 Prosecution Services** state the proposal will not have a significant direct fiscal impact on county prosecutors.

Officials from **St. Louis County** state there would be minimal additional time required to make enforcement referrals to the Department of Health and Senior Services. The additional workload resulting from the requirements is expected to be minimal.

Officials from the **City of St. Louis** state the proposal will have no direct fiscal impact on the City of St. Louis. The proposal will increase the level of fines and restrictions for lead abatement contractors and may make it more difficult to obtain and hire contractors for lead abatement projects. It is impossible to predict or calculate a potential cost related to the possible increase in difficulty of hiring lead abatement contractors.

Officials from the **Department of Health and Senior Services (DOH)** state because the department 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, the DOH assumes that a vast majority of contractors would be compliant in reporting their projects. Therefore, DOH estimates there would likely be five (5) or fewer contractors who fail to notify the department of a project in any given fiscal year, and if a contractor were to be fined for their first offense, they would likely notify DOH of future projects resulting in no second-offense fines. The DOH estimates fine revenue as unknown less than \$5,000 annually (5 X \$1,000).

Officials from the **Office of State Treasurer (STO)** did not respond to our request for a statement of fiscal impact. However, in response to similar legislation introduced during the current session, the STO assumed the proposal would have no fiscal impact on their organization.

Officials from the **City of Kansas City** did not respond to our request for a statement of fiscal impact.

| <u>FISCAL IMPACT - State Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|---|---|---|
| MoPHS FUND | | | |
| <u>Income- Department of Health and Senior Services</u> | | | |
| Fines and Penalties | <u>Unknown less than \$5,000</u> | <u>Unknown less than \$5,000</u> | <u>Unknown less than \$5,000</u> |
| 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> |

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

FISCAL IMPACT - Small Business

This proposal could impact small business lead abatement contractors if they incur fines for not notifying the Department of Health and Senior Services prior to beginning the project.

DESCRIPTION

This proposal changes the laws regarding lead poisoning abatement projects. The Director of the Department of Health and Senior Services is authorized to levy fines and initiate civil actions against persons who violate lead abatement regulations. Revenues from the fines will be deposited into the Public Health Services Fund.

If a 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 will be considered a class D felony and result in the doubling of the fines.

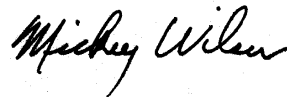
Contractors are required to submit a final inspection certification to the department after completing a lead abatement project.

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
Office of State Courts Administrator
Department of Natural Resources
Department of Corrections
Department of Health and Senior Services
Office of Prosecution Services
Office of State Public Defender
City of St. Louis
St. Louis County

NOT RESPONDING: Office of State Treasurer and City of Kansas City



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Director
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