

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0347-01  
Bill No.: HB 53  
Subject: Telecommunications; Highway Patrol; Merchandising Practices  
Type: Original  
Date: January 13, 2009

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Bill Summary: The proposal requires purchasers of six or more disposable cellular phones at one time to provide photo identification which will be reported to and kept in a database by the Missouri State Highway Patrol.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$7,793)	(\$1,793)	(\$1,846)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$7,793)</b>	<b>(\$1,793)</b>	<b>(\$1,846)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</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 2010</b>	<b>FY 2011</b>	<b>FY 2012</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 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Economic Development – Public Service Commission** and the **Department of Public Safety – Director’s Office** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Public Safety – Missouri State Highway Patrol (MSHP)** assume its role would be to develop a form to be used at retail locations and to develop, maintain, and enter into this database information obtained from retail locations. MSHP’s costs are based on the assumption that they would design a form to be used at retail locations that could be accessed by retail locations via a link on the MSHP’s website. However, this fiscal note does not make any provisions for the following:

1. Responsibility for return envelopes and postage required for retailers to mail the forms into the Highway Patrol.
2. Responsibility to develop and implement a training program for retailers.

The MSHP’s Information Systems Division provides the following assessment as a highly provisional estimate and cost:

The retailer would have the purchaser fill out a form provided by the Department of Public Safety. Additional verification would be required with a photo id. Then these forms would be forwarded to the Highway Patrol for processing.

Forms would be entered into a database which would be built in Lotus Notes by contract staff. The cost to prepare the database, test, train, and put into production is \$3,280 (40 hours x \$82 per hour).

The cost of a new server would be saved by utilizing an existing server to host this application. However, if multiple applications are added during a year, a new server would be required at a cost of \$5,900. One Websphere license would be required at a cost of \$4,513.

Recurring costs starting in year two include the recurring license cost for Websphere at \$920 and annual application maintenance/upgrade and database reorganization activities which are estimated at 10 hours per year at \$82 per hour (10 x \$82 = \$820).

ASSUMPTION (continued)

ONE TIME EXPENDITURES

Consultant Fees (40 hours at \$82 per hour)	\$3,280
Websphere License	<u>4,513</u>
TOTAL ONE TIME COSTS	\$7,793

RECURRING COSTS (starting year two)

Recurring Websphere License Costs	\$920
Application Maintenance/Upgrade (10 hrs at \$82 per hour)	<u>820</u>
TOTAL RECURRING COSTS	\$1,740

In summary, the MSHP estimates a cost to the General Revenue Fund of \$7,793 in FY 2010 and approximately \$1,800 per year in subsequent years.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE FUND</b>			
<u>Costs – Missouri State Highway Patrol</u>			
Expense and Equipment – to develop and maintain a cellular phone purchases registry	<u>(\$7,793)</u>	<u>(\$1,793)</u>	<u>(\$1,846)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$7,793)</u></b>	<b><u>(\$1,793)</u></b>	<b><u>(\$1,846)</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2010 (10 Mo.)	 FY 2011	 FY 2012
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

### FISCAL IMPACT - Small Business

Small businesses that sell disposable cellular phones could be fiscally impacted as a result of this proposal. The proposal will cause retail associates to spend additional time with customers explaining the program, providing the form with completion instructions, reviewing completed forms, etc. Additionally, retail supervisors will spend additional time collecting the forms and mailing them to the Missouri State Highway Patrol.

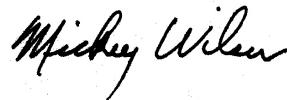
### FISCAL DESCRIPTION

The proposed legislation requires customers purchasing six or more disposable cell phones at one time to provide the retailer with photographic identification in accordance with a form developed by the Department of Public Safety. The retailer is required to provide this information to the State Highway Patrol to retain in a database.

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

Department of Economic Development  
– Public Service Commission  
Department of Public Safety  
– Director's Office  
– Missouri State Highway Patrol



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Director  
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