

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1345-01
Bill No.: HB 591
Subject: Business and Commerce; Economic Development; Department of Economic Development
Type: Original
Date: February 1, 2017

Bill Summary: This proposal establishes the Office of Business Advocate.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$77,762)	(\$85,235)	(\$86,049)
Total Estimated Net Effect on General Revenue	(\$77,762)	(\$85,235)	(\$86,049)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

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

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

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Economic Development (DED)** assume this creates the "Office of Business Advocate" within DED. Their purpose is to advocate for the creation and expansion of small business throughout the state and finding solutions to problems encountered by small business. This person reports to the Director of DED and shall provide support and coordination to any person starting or expanding a business in Missouri. They will be appointed by the Governor for a 6 year term. DED shall provide administrative support and staff as deemed necessary to assist the business advocate.

The Business Advocate will be a Band I Manager (\$53,928) and will need to hire one Administrative Support (\$32,688) person. DED will need funding for these two FTEs.

Oversight notes this proposal states that DED shall provide administrative support and staff as necessary to assist the business advocate. Oversight assumes that DED can absorb the duties of the administrative support person with existing resources.

Officials at the **Office of the Governor** assume §620.060 establishes the "Office of Business Advocate" within the Department of Economic Development to which the Governor shall appoint the "business advocate". There should be no added cost to the Governor's Office as a result of this measure. However, if additional duties are placed on the office related to appointments in other Truly Agreed To and Finally Passed legislation, there may be the need for additional staff resources in future years.

Officials at the **Missouri Senate** assume there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Cost - DED</u>			
Personal Service	(\$44,940)	(\$54,467)	(\$55,012)
Fringe Benefits	(\$21,973)	(\$26,528)	(\$26,691)
Equipment & Expenses	<u>(\$10,849)</u>	<u>(\$4,240)</u>	<u>(\$4,346)</u>
<u>Total Cost - DED</u>	<u>(\$77,762)</u>	<u>(\$85,235)</u>	<u>(\$86,049)</u>
FTE Change - DED	1 FTE	1 FTE	1 FTE
 ESTIMATED NET EFFECT ON GENERAL REVENUE	 <u>(\$77,762)</u>	 <u>(\$85,235)</u>	 <u>(\$86,049)</u>
 Estimated Net FTE Change on General Revenue	 1 FTE	 1 FTE	 1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2018 (10 Mo.)	 FY 2019	 FY 2020
	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses may be positively impacted.

FISCAL DESCRIPTION

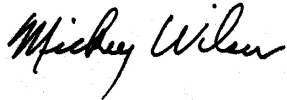
This bill establishes the "Office of Business Advocate" within the Department of Economic Development. The Office of Business Advocate shall advocate for small businesses throughout Missouri, and find solutions to problems that small businesses encounter when starting or expanding operations. The business advocate shall be appointed by the Governor with the advice and consent of the Senate, and serve for a six-year term.

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

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SOURCES OF INFORMATION

Department of Economic Development
Missouri Senate
Office of the Governor



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February 1, 2017

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February 1, 2017