

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2376-02  
Bill No.: HCB 8  
Subject: Civil Procedure; Courts; Liability; Veterinarians; Children and Minors; Guardians  
Type: Original  
Date: April 4, 2017

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Bill Summary: This proposal modifies provisions relating to civil proceedings.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue Fund	(Could exceed \$542,313)	(Could exceed \$388,479)	(Could exceed \$391,887)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$542,313)</b>	<b>(Could exceed \$388,479)</b>	<b>(Could exceed \$391,887)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
General Revenue Fund	5 FTE	5 FTE	5 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>5 FTE</b>	<b>5 FTE</b>	<b>5 FTE</b>

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

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

## FISCAL ANALYSIS

### ASSUMPTION

#### §§407.1750, 407.1755, 407.1760, 407.1765, 407.1770, 407.1775, 407.1780 - Missouri Child Protection Registry

In response to similar legislation from this year, HB 286, officials at the **Office of the Attorney General (AGO)** assumed the proposal would require the AGO to establish and operate the Missouri Child Protection Registry composed of a secure list of "contact points" belonging to or accessible to minors. A "contact point" is a defined term that encompasses any electronic identification to which messages can be sent, including instant message identity, wireless telephone, personal digital assistant, pager number, wireless communication device, facsimile number, electronic mail address or other electronic addresses.

Parents, guardians, individuals, schools or other institutions primarily serving minors would register the contact points with the Missouri Attorney General's Office. Collecting such a vast amount of information would be a substantial undertaking. While the Missouri Attorney General's Office established and maintains the Do-Not-Call list, the only contact information is a phone number and the consumer's name. The potential types of contact points for the Missouri Child Protection Registry would be ever changing, as technology and social media evolve at an ever-increasing pace. In addition, AGO staff would need to be trained at least annually on evolving technology and social media outlets.

As the proposal does not contain a substantial amount of detail (which details would presumably be left to the AGO's rulemaking authority, as authorized in the proposal), a precise cost estimate is impossible. Given that fact and the relatively short amount of time the AGO has had to study this proposal, the AGO must state that costs are unknown though presumed to be substantial. While the exact costs are unknown, the AGO's best current attempt to estimate costs are as follows.

Initial costs to create the necessary database and related infrastructure may be approximately \$350,000 in the first year. Thereafter, maintenance and operation of the infrastructure may cost approximately \$50,000 per year.

ASSUMPTION (continued)

The AGO would require additional employees in order to carry out the proposal. These employees would be necessary in order to setup and maintain the necessary data infrastructure, collect the necessary data, and process that data. The AGO also believes it will be necessary to engage in substantial education and outreach efforts in order to educate parents, guardians, schools, and other institutions primarily serving minor children about the registry and how to provide that data to the AGO. Although such education is not specifically called for in the proposal, the AGO does not believe implementation of the proposal can be successfully completed without it. In addition, the registrations expire in three years. Again, while the proposal does not provide detail, those who registered the contact points would likely need to be contacted by mail or electronic mail prior to the expiration so the contact points registration may be modified or renewed.

The AGO will require at least five FTEs to implement the requirements of the proposal. These employees include two information systems specialists, one consumer service operator, one compliance auditor/investigator, and one attorney.

As stated above, the precise costs of this proposal are unknown and may vary significantly from the above best estimates. The AGO will require additional appropriations to implement the proposal.

**Oversight** assumes this proposal will become effective on January 1, 2018. Therefore, Oversight will reflect 6 months of cost for FY18.

In response to similar legislation from this year, HB 286, officials at the **Forsyth R-III School District** assumed a negative unknown fiscal impact from this proposal.

In response to similar legislation from this year, HB 286, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

ASSUMPTION (continued)

**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.

In response to similar legislation from this year, HB 286, officials at the **Office of Administration** assumed no fiscal impact from this proposal.

In response to similar legislation from this year, HB 286, officials at the **Wright City R II School District**, the **Kansas City Public School District**, the **Kirksville R-III School District**, the **Kearney School District** and the **West Plains Schools** each assumed no fiscal impact to their respective entities from this proposal.

§§472.400, 472.405, 472.410, 472.415, 472.420, 472.425, 472.430, 472.435, 472.440, 472.445, 472.450, 472.455, 472.460, 472.465, 472.470, 472.475, 472.480, 472.485, 472.490 - Missouri Fiduciary Access to Digital Assets Act

Officials at the **Office of Administration (OA)** assume ITSD would need to make coding changes in the Employee Self Service System to remove the Single Sign On links to benefit providers. This would occur when the user would be someone other than the actual employee. These changes would take 162 hours of work at \$75 per hour for a total cost of \$12,150.

**Oversight** assumes the OA is provided with core funding to handle a certain amount of computer activity from each year's legislative session. Oversight assumes OA could absorb the coding changes related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA could request funding through the appropriation process. Therefore, Oversight will reflect a \$0 fiscal impact to this proposal.

§§507.250, 507.253, 507.256, 507.259, 507.262 - Vexatious Litigations

In response to similar legislation from this year, HB 77, officials at the **Office of the Attorney General** assumed that any potential costs arising from this proposal can be absorbed with existing resources.

§§515.575, 515.635 - General Receiver and Noncontingent liquidated claims rate

In response to similar legislation from 2016, SCS for HB 2590, officials from the **Office of Administration - Division of Purchasing**, the **Office of Administration - Division of Accounting** and the **Department of Economic Development** each assumed the current proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

In response to similar legislation from 2016, SCS for HB 2590, officials from the **County of St. Louis**, and the **Cole County Sheriff's Department** each assumed the current proposal would not fiscally impact their respective organizations.

In response to similar legislation from 2016, SCS for HB 2590, officials from the **Attorney General's Office (AGO)** assumed that any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in cases.

Bill as a whole

Officials at the **Office of the State Courts Administrator**, the **Office of the State Public Defender**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Elementary and Secondary Education**, the **Department of Corrections**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Agriculture**, the **Department of Health and Senior Services**, the **Office of the State Treasurer**, the **Department of Revenue**, the **Joint Committee on Administrative Rules**, the **Office of Administration's Administrative Hearing Commission**, the **Department of Social Services**, the **State Tax Commission**, the **Callaway County Commission**, and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (6 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Cost - AGO</u>			
Personal Service	(\$79,804)	(\$193,445)	(\$195,380)
Fringe Benefits	(\$45,240)	(\$109,148)	(\$109,724)
Computer Programming	(\$350,000)	(\$50,000)	(\$50,000)
Equipment and Expense	<u>(\$67,269)</u>	<u>(\$35,886)</u>	<u>(\$36,783)</u>
Total Costs - AGO (§§407.1750, 407.1755, 407.1760, 407.1765, 407.1770, 407.1775, 407.1780)	(Could exceed <u>\$542,313</u> )	(Could exceed <u>\$388,479</u> )	(Could exceed <u>\$391,887</u> )
FTE Change - AGO	5 FTE	5 FTE	5 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>(Could exceed <u>\$542,313</u>)</b>	<b>(Could exceed <u>\$388,479</u>)</b>	<b>(Could exceed <u>\$391,887</u>)</b>
Estimated Net FTE Change for General Revenue Fund	5 FTE	5 FTE	5 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (6 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§§407.1750, 407.1755, 407.1760, 407.1765, 407.1770, 407.1775, 407.1780 - Missouri Child Protection Registry

This bill establishes the Missouri Child Protection Registry composed of a secure list of contact points belonging or accessible to minors. Contact points may include instant messaging identities, wireless telephones, pagers, facsimiles, or email addresses. Parents, guardians, schools, and other entities may add contact points to the registry by registering the contact points with the Attorney General. The registration is for three years, and can be revoked or renewed upon notification to the Attorney General. The Attorney General shall take certain steps, as specified, to ensure the security of the registry.

The bill bans any person from sending a message to a contact point that has been registered for 30 days or more if the primary purpose of the message is to advertise or otherwise link to a message that advertises gambling, intoxicating liquor, tobacco products, vapor products, controlled substances, or material pornographic for minors. Sending this type of message is not prohibited if certain procedures are followed, as specified in the bill. The Attorney General is required to establish a mechanism for senders of such messages to verify compliance with the registry. If a person desires to send such a message, they must pay the Attorney General a fee for access to the mechanism for verifying compliance at a rate of 7/10 of one cent for each time a contact is checked. The revenues generated from these provisions will be disbursed as follows: 85% to the Child Protection Registry Fund and 15% to the Attorney General to investigate, enforce, and defend these provisions.

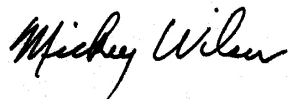
A person committing the offense of tampering with the Missouri Child Protection Registry shall be guilty of a class A misdemeanor. Additionally, civil action may be brought by certain individuals, as specified, who may recover either actual damages or the lesser of \$5,000 for each message received by the recipient or transmitted or \$250,000 for each day the violation occurs.

This bill shall become effective on January 1, 2018.

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 the State Courts Administrator  
Office of the Attorney General  
Department of Health and Senior Services  
Department of Agriculture  
Office of the State Treasurer  
Department of Revenue  
Joint Committee on Administrative Rules  
Office of Administration  
    Administrative Hearing Commission  
    ITSD  
    Division of Purchasing  
    Division of Accounting  
State Tax Commission  
Office of Prosecution Services  
Department of Mental Health  
Department of Natural Resources  
Department of Insurance, Financial Institutions and Professional Registration  
Office of the State Public Defender  
Office of the Secretary of State  
Department of Social Services  
Department of Elementary and Secondary Education  
Department of Corrections  
Department of Economic Development  
Forsyth RIII School District  
Wright City RII School District  
Kansas City Public Schools  
Kirksville RIII School District  
Kearney School District  
West Plains Schools  
St. Louis County  
Cole County Sheriff's Department  
Callaway County Commission



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