

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6218-01  
Bill No.: HB 2331  
Subject: Professional Registration and Licensing; Licenses - Miscellaneous  
Type: Original  
Date: April 24, 2018

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Bill Summary: This proposal allows roofing contractors to take an examination testing the individual's knowledge of general roofing practices.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Professional Registration Fee Fund*	\$0	\$0	\$0
Missouri State Board of Roofers	(\$68)	\$31,878	\$37,107
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$68)</b>	<b>\$31,878</b>	<b>\$37,107</b>

\*Cost and Transfer-In net to zero.

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Professional Registration Fee Fund	3 FTE	3 FTE	3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>	<b>3 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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume the following:

#### Licensee/Revenue

1,374	Estimated Licensees
\$175.00	Initial License Fee
\$175.00	Renewal License Fee
Annual	Renewal Cycle

- In the current language of this proposed legislation, an individual "may" take a roofing examination in provisions of section 324.1000, this fee will be paid by the individual.
- Projected revenue reflects fees collected for all categories of licensure
- A 3% growth rate has been estimated (41 additional initial licensees each year)
- It is estimated that the collection of initial license fees will begin in FY 2019 and renewal fees will not be collected until FY 2020.
- If the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly

DIFP estimates a total revenue of \$240,450 in FY 2019, \$247,625 in FY 2020 and \$254,975 in FY 2021.

The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board and to assist in calculating the anticipated license and renewal fees.

#### Staffing

1 Principal Assistant (\$60,000 annually) needed to serve as the senior executive officer of the registration agency.

1 Processing Technician II (\$27,180 annually) needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations.

1 Investigator II (\$38,304 annually) needed to conduct investigations and inspections, serve notices, and gather information required by the board.

ASSUMPTION (continued)

Complaints and Investigations

It is estimated the board will receive approximately 17 complaints. The division does not anticipate receiving any complaints until FY 2020. It is estimated 15% of the complaints filed will require field investigations with 50% requiring overnight travel.

DIFP estimates a total cost of \$240,518 in FY 2019, \$215,747 in FY 2020 and \$217,868 in FY 2021.

Officials from the **Office of the State Courts Administrator** assume there may be some fiscal impact but there no way to quantify that currently. Any significant changes will be reflected in future budget request.

For the purpose of the proposed legislation, and as a result of excessive caseloads, officials from the **Office of State Public Defender (SPD)** cannot assume existing staff will provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime of roofing without being certified - a Class D Misdemeanor. Subsequent offenses would escalate to a new Class B Misdemeanor. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the Office of the State Public Defender will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attaches.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Office of Prosecution Services** assume the proposal will have no fiscal impact on their organization. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional cost which are difficult to determine.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>PROFESSIONAL REGISTRATION FEE FUND</b>			
<u>Cost - DIFP</u>			
Personal Service	(\$104,570)	(\$126,739)	(\$128,007)
Fringe Benefits	(\$58,027)	(\$70,005)	(\$70,382)
Equipment and Expense	(\$69,196)	(\$8,277)	(\$8,484)
Other Fund Cost	(\$8,725)	(\$10,726)	(\$10,995)
<u>Total Cost - DIFP</u>	<u>(\$240,518)</u>	<u>(\$215,747)</u>	<u>(\$217,868)</u>
FTE Change - DIFP	3 FTE	3 FTE	3 FTE
 <u>Transfer In - from Missouri State Board of Roofers Fund</u>	 <u>\$240,518</u>	 <u>\$215,747</u>	 <u>\$217,868</u>
 <b>ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FEE FUND</b>	 <b><u>\$0</u></b>	 <b><u>\$0</u></b>	 <b><u>\$0</u></b>
 Estimated Net FTE Change on the Professional Registration Fee Fund	 3 FTE	 3 FTE	 3 FTE
 <b>MISSOURI STATE BOARD OF ROOFERS FUND</b>			
<u>Income - Licensing Fees</u>	\$240,450	\$247,625	\$254,975
<u>Transfer Out - To Professional Registration Fees Fund</u>	<u>(\$240,518)</u>	<u>(\$215,747)</u>	<u>(\$217,868)</u>
 <b>ESTIMATED NET EFFECT TO THE MISSOURI STATE BOARD OF ROOFERS FUND</b>	 <b><u>(\$68)</u></b>	 <b><u>\$31,878</u></b>	 <b><u>\$37,107</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Roofing contractors will be required to be licensed, and may be fiscally impacted by this proposal.

FISCAL DESCRIPTION

This bill requires the Department of Insurance, Financial Institutions and Professional Registration to create an examination that tests a roofing contractor's knowledge of general roofing practices. Roofing contractors in Missouri may choose to take this exam, and if they pass, have their names included in a searchable database of roofing contractors on the department's website.

This bill also states that beginning on January 1, 2019, any individual, firm, partnership, association, corporation, limited liability company, or other group or any combination of such acting as a unit may use a state of origin designation on business materials and advertisements signifying to the public that such company, entity, or group is a Missouri business that is registered with the Secretary of State as any type of entity other than a foreign corporation.


Anyone who falsely advertises having passed the exam or falsely uses the state of origin designation will be guilty of a class D misdemeanor.

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 Insurance, Financial Institutions and Professional Registration  
Office of the State Courts Administrator  
Office of the State Public Defender  
Office of Prosecution Services  
Joint Committee on Administrative Rules

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director  
April 24, 2018