

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0353S.04C
 Bill No.: SCS for HCS for HB 242
 Subject: Attorney General; Consumer Protection; Economic Development, Department of;
 Internet and E-Mail; Telecommunications
 Type: Original
 Date: May 6, 2021

Bill Summary: This proposal modifies provisions relating to telecommunications.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Merchandising Practices Revolving Fund (0631)*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*Oversight assumes this proposal could increase collections by the AGO from offenders, but assumes the amount of collections would not reach the \$250,000 threshold.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§67.2680 – No new taxes on provisions of satellite or streaming video service.

Officials from the **City of Kansas City** state the provisions in this legislation that prohibit a city from imposing a new tax on satellite or streaming service providers would result in a negative fiscal impact of an indeterminate amount on Kansas City.

Oversight notes this proposal does not allow any new taxes, licenses or fees upon the provision of satellite or streaming video service. Oversight notes such taxes, licenses, or fees already authorized on or before August 28, 2021 would remain. Oversight will reflect a \$0 or (Unknown) loss of revenue to local political subdivisions that intended to implement such a tax, license or fee.

§407.1095 - §407.1115 - Telemarketing

In response to a previous version, officials from the **Attorney General's Office (AGO)** assumed the proposal would not fiscally impact their agency.

Oversight inquired the AGO regarding the number of cases resolved in the past and the amount collected in judgements. The money received for judgements goes to the Merchandising Practices Revolving Fund (0631). This is the information they provided:

Fiscal Year	# of cases	Judgements	# of cases with collections	Collections
2014	17	\$758,000	12	\$225,500
2015	5	\$739,000	3	\$593,416
2016	6	\$30,500	3	\$10,500
2017	11	\$526,433	4	\$275,433
2018	1	\$500,133	0	\$0
2019	3	\$85,000	1	\$8,500

Oversight notes that the AGO has stated the proposal would not have a direct fiscal impact on their organization. Oversight assumes this proposal may increase the number of cases referred to

the AGO and could result in an increase in collections under this chapter. Oversight will reflect a \$0 or Unknown (assumed to be less than \$250,000) positive fiscal impact to the Merchandising Practices Revolving Fund.

In response to a previous version, officials from the **Department of Corrections (DOC)** stated this proposal creates a new class E felony for unlawful caller identification spoofing.

DOC has no prior data relating to these charges, therefore, the department estimates an impact comparable to the creation of a new class E felony. As such, the department will use the standard response for a new class E felony. For each new nonviolent class E felony, the department estimates one person will be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the Department is estimated to be 2 additional offenders in prison and 7 on field supervision by FY24.

Change in prison admissions and probation openings with legislation-Class E Felony (nonviolent)

	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	2	2	2	2	2	2	2	2	2	2
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations	2	2	2	2	2	2	2	2	2	2
Cumulative Populations										
Prison	1	2	2	2	2	2	2	2	2	2
Parole			1	1	1	1	1	1	1	1
Probation	2	4	6	6	6	6	6	6	6	6
Impact										
Prison Population	1	2	2	2	2	2	2	2	2	2
Field Population	2	4	7	7	7	7	7	7	7	7
Population Change	3	6	9	9	9	9	9	9	9	9

* If this impact statement has changed from statements submitted in previous years, it is because the Department of Corrections (DOC) has changed the way probation and parole daily costs are calculated to more accurately reflect the way the Division of Probation and Parole is staffed across the entire state

In December 2019, the DOC reevaluated the calculation used for computing the Probation and Parole average daily cost of supervision and revised the cost calculation to be the DOC average district caseload across the state which is 51 offender cases per officer. The new calculation assumes that an increase/decrease of 51 cases would result in a change in costs/cost avoidance equal to the cost of one FTE staff person. Increases/decreases smaller than 51 offenders are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases. For instances where the proposed legislation affects a less specific caseload, DOC projects the impact based on prior year(s) actual data for DOC's 48 probation and parole districts.

The DOC cost of incarceration is \$21.251 per day or an annual cost of \$7,756 per offender. The DOC cost of probation or parole is determined by the number of P&P Officer II positions that would be needed to cover the new caseload.

	# to prison	Cost per year	Total Costs for prison	# to probation & parole	Cost per year	Total cost for probation and parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	1	(\$7,756)	(\$6,463)	2	absorbed	\$0	(\$6,643)
Year 2	2	(\$7,756)	(\$15,822)	4	absorbed	\$0	(\$15,822)
Year 3	2	(\$7,756)	(\$16,139)	7	absorbed	\$0	(\$16,139)
Year 4	2	(\$7,756)	(\$16,461)	7	absorbed	\$0	(\$16,461)
Year 5	2	(\$7,756)	(\$16,791)	7	absorbed	\$0	(\$16,791)
Year 6	2	(\$7,756)	(\$17,127)	7	absorbed	\$0	(\$17,127)
Year 7	2	(\$7,756)	(\$17,469)	7	absorbed	\$0	(\$17,469)
Year 8	2	(\$7,756)	(\$17,818)	7	absorbed	\$0	(\$17,818)
Year 9	2	(\$7,756)	(\$18,175)	7	absorbed	\$0	(\$18,175)
Year 10	2	(\$7,756)	(\$18,538)	7	absorbed	\$0	(\$18,538)

Oversight assumes the DOC will be able to absorb the cost of two additional prisoners, and will not reflect a fiscal impact to DOC from this proposal.

In response to a previous version, officials from the **Office of the State Courts Administrator**, the **Missouri Office of Prosecution Services** and the **Department of Public Safety - Missouri Highway Patrol** each assumed the proposal would not fiscally impact their respective agencies.

In response to a previous version, officials from the **Office of the State Public Defender (SPD)** stated for the purpose of the proposed legislation, and as a result of excessive caseloads, SPD cannot assume existing staff will be able to provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime(s) in violation of the Caller ID Anti Spoofing Act, which are classified as a class E felony. Section 407.1115 RSMo. 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 Missouri 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 offenders charged under this proposal would not be indigent and will not qualify for SPD’s services and will reflect no fiscal impact to the SPD for fiscal note purposes.

§§ 620.2450 & 620.2456 Broadband Internet Grant Program

Officials from the **Department of Economic Development** assume these changes would not create a fiscal impact.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
MERCHANDISING PRACTICES REVOLVING (0631)			
<u>AGO</u> – Potential increase in judgement collections for expansion of Telemarketing No-Call statutes §§407.1095 – 107.1115 p. 3-4	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
ESTIMATED NET EFFECT TO THE MERCHANDISING PRACTICES REVOLVING (0631)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> – potential loss of ability to implement tax, license or fee on satellite or streaming video service §67.2680 p. 3	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

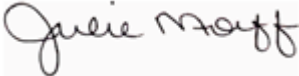
This bill establishes the "Caller ID Anti-Spoofing Act" which creates the offense of caller identification spoofing, which a person commits if he or she enters or causes to be entered false information into a caller ID service with the intent to deceive, defraud, or mislead the recipient of the call or the person places a call knowing that false information was entered into a caller ID service with the intent to deceive, defraud, or mislead the recipient of the call. The offense is a class E felony. The bill provides exceptions to the offense. The recipient of any call in which the caller uses false caller ID information shall have standing to recover punitive damages against the caller in an amount up to \$5,000 per call. Call recipients may bring action under this section as members of a class. Finally, the Attorney General may initiate legal proceedings or intervene in legal proceedings on behalf of call recipients.

This proposal (§67.2680) does not allow any new taxes, licenses or fees upon the provision of satellite or streaming video service after August 28, 2021.

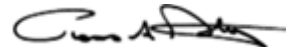
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Office of the State Courts Administrator
Office of the State Public Defender
Office of Prosecution Services
Department of Corrections
Department of Public Safety – Missouri Highway Patrol



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May 6, 2021



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