

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3907-01
Bill No.: HB 1403
Subject: Consumer Protection; Entertainment, Sports and Amusements; Public Safety
Department.
Type: Original
Date: March 8, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$14,250)	(\$14,250)	(\$14,250)
Total Estimated Net Effect on General Revenue Fund	(\$14,250)	(\$14,250)	(\$14,250)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Elevator Safety Fund	\$9,014	\$144,301	\$145,288
Total Estimated Net Effect on <u>Other</u> State Funds	\$9,014	\$144,301	\$145,288

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Public Defender** and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of Prosecution Services** assume any costs arising as a result of this proposal could be absorbed within existing resources.

Officials from the **Office of Administration - Budget and Planning** state the proposal should not result in additional costs or savings to their agency. The proposal will, however, decrease general revenue.

Officials from the **Department of Public Safety - Division of Fire Safety (DFS)** state this legislation expands the definition of "amusement ride", adds "special amusement buildings", authorizes the Division of Fire Safety to conduct spot safety inspections on rides already permitted, and transfers the program funding to the Elevator Safety Fund.

DFS states this legislation would vastly broaden the scope of the current requirements of the Amusement Ride Safety program. In addition to adding to the types of rides that would be required to be permitted, it would allow DFS staff to spot check rides that had already received a

ASSUMPTION (continued)

permit. As it is estimated there are 1,050 rides operating in Missouri during the typical amusement ride season, and due to the size of our state, it was determined that two additional FTE would be required to fulfill the requirements of this legislation. These FTE would be equipped with a vehicle and a laptop computer, along with basic supplies for operating in a field office. Because the amusement ride season is limited to the spring/summer months, the new FTE would perform elevator safety inspections during the remainder of the year. Fees from administering the Amusement Ride Safety program, as well as the additional fees brought into the Elevator Safety Fund from the inspections these FTE would perform during the fall and winter, are estimated to be \$103,110 in FY 2005, \$261,330 in FY 2006 and \$265,000 in FY 2007.

The requested two FTE are Elevator / Amusement Ride Safety Inspectors (each at \$39,648 per year) and are assumed to be funded through the Elevator Safety Fund. DFS assumes the cost of the two FTE, including salary, fringe benefits and expense and equipment would be \$105,701 for FY 2005, and roughly \$144,000 per year thereafter.

DFS assumes the net fiscal impact to the Elevator Safety Fund resulting from the cost of the additional FTE as well as the additional fees generated will be (\$2,591) in FY 2005, \$120,510 in FY 2006 and \$120,901 in FY 2007.

DFS assumes a loss of \$15,750 (1,050 rides x \$15 annual permit for each) to the General Revenue Fund from the redirection of the amusement ride permit fees. DFS also estimates a savings of \$1,500 of equipment and expense for the amusement ride permits that is currently in the General Revenue budget.

Based upon the actual salaries of elevator safety inspectors within the Division of Fire Safety, **Oversight** has, for purposes of the fiscal note, reduced the starting salary of the two FTE from \$39,648 to \$31,380.

This proposal could increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Savings</u> - Costs for permitting amusement rides now processed through the Elevator Safety Fund	\$1,500	\$1,500	\$1,500
<u>Loss</u> - Permit revenue from amusement rides now deposited into the Elevator Safety Fund	<u>(\$15,750)</u>	<u>(\$15,750)</u>	<u>(\$15,750)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$14,250)</u>	<u>(\$14,250)</u>	<u>(\$14,250)</u>
 ELEVATOR SAFETY FUND			
<u>Income</u> - Permit revenue from amusement rides that previously would have been deposited into General Revenue	\$15,750	\$15,750	\$15,750
<u>Income</u> - inspection revenue generated from additional Fire Safety Inspectors as well as permit fees from "special amusement buildings" and expanded definition of "amusement ride"	\$87,360	\$245,580	\$249,250
<u>Costs</u> - Division of Fire Safety (DFS)			
Personal Service (2 FTE)	(\$32,165)	(\$65,937)	(\$67,585)
Fringe Benefits	(\$13,316)	(\$27,298)	(\$27,980)
Expense and Equipment	(\$21,765)	(\$23,794)	(\$24,147)
Mid-sized Vehicles	<u>(\$26,850)</u>	<u>\$0</u>	<u>\$0</u>
Total Costs - DFS	<u>(\$94,096)</u>	<u>(\$117,029)</u>	<u>(\$119,712)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$9,014</u>	<u>\$144,301</u>	<u>\$145,288</u>

FISCAL IMPACT - Local Government

FY 2005
(6 Mo.)

FY 2006

FY 2007

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses that operate any device within the newly expanded definition of “amusement rides” or “special amusement buildings” would be fiscally impacted by this proposal.

DESCRIPTION

This proposal makes changes to the laws regarding amusement rides. In its main provisions, it:

- (1) Expands the definition of "amusement ride" to include dry slides, bungee cord attractions, climbing walls, and inflatable attractions;
- (2) Adds the definition of "special amusement building" and requires them to comply with all laws governing amusement rides;
- (3) Authorizes the Department of Public Safety to conduct spot inspections of amusement rides and special amusement buildings without notice whenever the ride or building is operating and provides for suspension when unsafe conditions are disclosed and reinstatement upon correction and reinspection;
- (4) Requires special amusement buildings to comply with national codes and standards and subjects them to fire safety inspections by the department;
- (5) Changes the allocation of collected inspection fees from the General Revenue Fund to the Elevator Safety Fund; and
- (6) Makes it a class B misdemeanor to knowingly make false statements or representations in documents required in the laws governing amusement rides and special amusement buildings.

The proposal becomes effective January 1, 2005.

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 Public Safety
 Division of Fire Safety
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Office of Administration
 Budget and Planning

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 8, 2004