

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4557-01
Bill No.: HB 1736
Subject: Water Patrol; Boats and Watercraft
Type: Original
Date: February 25, 2010

Bill Summary: This proposal removes a provision that directs funds in the State Water Patrol Fund to be deposited in the State General Revenue Fund in any year in which the state's net general revenue did not increase by 2% or more.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$0 or (\$2,500,000)	\$0 or (\$2,500,000)	\$0 or (\$2,500,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (\$2,500,000)	\$0 or (\$2,500,000)	\$0 or (\$2,500,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Missouri State Water Patrol	\$0 or \$2,500,000	\$0 or \$2,500,000	\$0 or \$2,500,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or \$2,500,000	\$0 or \$2,500,000	\$0 or \$2,500,000

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Treasurer** assume the proposal would not fiscally impact their agency.

Officials from the **Office of Administration - Budget and Planning (BAP)** state it may have a negative impact on general revenue. Prior to implementation of Section 306.185.5, RSMo, certain boat license fees were deposited in general revenue. In Fiscal Year 2009, \$2,309,982 was deposited in the Missouri State Water Patrol Fund. Because the state's general revenue did not increase by two percent or more in 2008, the revenues previously deposited in the Water Patrol Fund are currently being deposited into general revenue fund. BAP defers to DPS for a specific estimate on the impact to general revenue.

Officials from the **Department of Public Safety - Water Patrol** state the funds provided by the underlying statute pay one third of the Water Patrol enforcement personnel salaries and benefits. Currently the statute requires that funds be diverted to General Revenue if state revenue falls below 2% growth in a given year. This poses two issues:

- Up to 1/3 of our uniformed officers would be terminated if the funding isn't obtained through a supplemental appropriation.
- If we terminate those officers, the training costs of replacement officers is over \$50K each

The receipts into the Missouri State Water Patrol Fund (400) for the past two fiscal years has been \$2,720,601 in FY 2008 and \$2,366,532 in FY 2009. Oversight assumes the determination if the previous year's general revenue collections increased by 2 percent or more are made each year. Therefore, **Oversight** will assume a potential fiscal impact to the Missouri State Water Patrol Fund and the General Revenue Fund of \$2.5 million (roughly the average of the receipts from FY 2008 and FY 2009) each year. Oversight will range the fiscal impact from \$0 (no transfer would have taken place even if the language was still present in Section 306.185) to a savings to the Missouri State Water Patrol Fund (and corresponding loss to the General Revenue Fund) of \$2.5 million.

According to the Office of the State Treasurer, the balance of the Missouri State Water Patrol Fund as of January 31, 2010 was \$1,895,869.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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GENERAL REVENUE FUND

<u>Loss</u> - potential of transfer from the Missouri State Water Patrol Fund no longer allowed with deletion from Section 306.185.	\$0 or <u>(\$2,500,000)</u>	\$0 or <u>(\$2,500,000)</u>	\$0 or <u>(\$2,500,000)</u>
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ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 or <u>(\$2,500,000)</u>	\$0 or <u>(\$2,500,000)</u>	\$0 or <u>(\$2,500,000)</u>
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MISSOURI STATE WATER PATROL FUND

<u>Savings</u> - potential of transfer to the General Revenue Fund no longer allowed with deletion from Section 306.185.	\$0 or <u>\$2,500,000</u>	\$0 or <u>\$2,500,000</u>	\$0 or <u>\$2,500,000</u>
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ESTIMATED NET EFFECT TO THE MISSOURI STATE WATER PATROL FUND	\$0 or <u>\$2,500,000</u>	\$0 or <u>\$2,500,000</u>	\$0 or <u>\$2,500,000</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

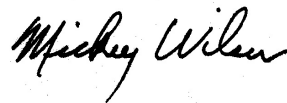
FISCAL DESCRIPTION

This bill removes the provision which requires moneys collected for the State Water Patrol Fund to be deposited into the General Revenue Fund if the state's net general revenue did not increase by 2% or more during the immediate previous fiscal year.

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
Office of the State Treasurer
Office of Administration - Budget and Planning



Mickey Wilson, CPA
Director
February 25, 2010