

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5347-02
Bill No.: Perfected HCS for HB 1591
Subject: Water Patrol; Boats and Watercraft; Lakes, Rivers and Waterways
Type: Original
Date: April 10, 2018

Bill Summary: This proposal modifies provisions relating to the operation of watercraft.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------|----------------------|----------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| General Revenue | \$0 | (\$1,000,000) | (\$1,000,000) |
| Total Estimated Net Effect on General Revenue | \$0 | (\$1,000,000) | (\$1,000,000) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|--------------------|--------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| Missouri State Water Patrol | \$0 | \$1,000,000 | \$1,000,000 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$1,000,000 | \$1,000,000 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

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

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assume the proposal will have no fiscal impact on their organization.

MHP states that currently there is a fine of \$137 for the violation of operating a vessel above idle speed within 100 feet of a dock, occupied anchored boat, or pier (§306.125). Between October 1, 2016 and September 30, 2017, 28 citations and 412 warnings were issued for this violation, resulting in approximately \$3,836 in fine revenue and associated court costs.

There is a fine of \$137 for the violation of personal flotation devices not accessible, serviceable, or United States Coast Guard approved (§306.142). Between October 1, 2016 and September 30, 2017, 24 citations and 1,861 warnings were issued for this violation, resulting in approximately \$3,288 in fine revenue and associated court costs.

Oversight notes this proposal reduces the fine amount to \$25 for each of the violations mentioned above. Oversight assumes this would result in a small reduction in fine revenue due to local political subdivisions but assume the amount to be immaterial. Conversely, reducing the fine for these violations may also result in more citations being issued by troopers instead of warnings; which would result in an increase in fine collections. Either way, Oversight assumes the change in fine revenue from these changes will not be material.

Officials from the **Department of Revenue** assume the proposal will have no fiscal impact on their organization.

Officials from the **Office of the Secretary of State (SOS)** assume 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.

Officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

House Amendment 1

Oversight notes this amendment cleans up language and sectional references and would have no fiscal impact.

House Amendment 2

Oversight notes this amendment is similar to HCS for HB 1300 from 2018.

In response to HCS for HB 1300, officials from the **Office of Administration - Budget and Planning (B&P)** stated currently, the first \$2 million in boat title and registration fees is deposited into General Revenue. Any collection beyond \$2 million is deposited into the Water Patrol Fund. This legislation would reduce the \$2 million trigger to \$1 million, starting in FY 2020. The Department of Public Safety stated there has always been an excess of \$2 million collected in recent years; therefore, the proposal would cause a shift of \$1 million per year from General Revenue to the Water Patrol Fund.

Officials from the **Department of Revenue** state the proposed legislation would result in a \$1,000,000 reduction of revenue deposited into the General Revenue Fund, and an increase in the amount of revenue deposited into the Water Patrol Division Fund by \$1,000,000 beginning July 1, 2019.

In response to HCS for HB 1300, officials from the **Department of Public Safety - Missouri Highway Patrol** assumed no fiscal impact from the proposal.

Oversight notes that the original shift in funding from the General Revenue Fund to a new Missouri State Water Patrol Fund (0400) was enacted in SB 778 in 2006. Also in that bill, boat licensing fees were raised from \$10, \$20, \$30 and \$40 to \$25, \$55, \$100, and \$150 respectively, depending upon the length of the vessel.

ASSUMPTION (continued)

According to the fund description from the Office of the State Treasurer, Oversight believes this transfer is the only funding source into the State Water Patrol Fund. During the past four years, the Missouri State Water Patrol Fund has had the following receipts into the fund:

| | |
|---------|-------------|
| FY 2017 | \$2,901,729 |
| FY 2016 | \$2,661,931 |
| FY 2015 | \$2,768,015 |
| FY 2014 | \$2,962,600 |

The balance of the fund on March 31, 2018 was \$737,230.

Oversight notes the House Committee Substitute changes the effective date of the change to all years beginning on or after July 1, 2019 (FY 2020).

House Amendment 3

Oversight notes this amendment is similar to HB 2116 from 2018.

In response to HB 2116, officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed the proposal would not fiscally impact their agency.

| <u>FISCAL IMPACT - State Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|---|---------------------|-----------------------------|-----------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Loss</u> - lowering threshold in §306.030 from \$2 million to \$1 million - after which moneys will go to the Missouri State Water Patrol Fund instead of the General Revenue Fund | <u>\$0</u> | <u>(\$1,000,000)</u> | <u>(\$1,000,000)</u> |
| ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND | <u>\$0</u> | <u>(\$1,000,000)</u> | <u>(\$1,000,000)</u> |
| MISSOURI STATE WATER PATROL FUND | | | |
| <u>Income</u> - lowering threshold in §306.030 from \$2 million to \$1 million - after which moneys will go to the Missouri State Water Patrol Fund instead of the General Revenue Fund | <u>\$0</u> | <u>\$1,000,000</u> | <u>\$1,000,000</u> |
| ESTIMATED NET EFFECT TO THE MISSOURI STATE WATER PATROL FUND | <u>\$0</u> | <u>\$1,000,000</u> | <u>\$1,000,000</u> |
| <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

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

FISCAL DESCRIPTION

This bill specifies that the operator of a watercraft that is in violation of the requirements that the watercraft be equipped with a personal flotation device for each person on board shall be guilty of an infraction and fined not more than \$25. The bill also specifies that the owner of any watercraft in violation of the slow-no wake provisions shall be guilty of an infraction and fined not more than \$25.

Upon submission of a no-wake petition signed by more than 50% of the owners of waterfront property located on a cove with its main juncture less than 800 feet from the main channel of the lake to the Water Patrol Division of the Missouri Highway Patrol, such cove shall become a no-wake cove for specified classes of watercrafts, and such watercrafts shall be subject to the slow-no wake speed provisions.

Currently, the first \$2 million collected annually from boat title and registration fees is deposited into the State General Revenue Fund, with the remainder going to the Water Patrol Division of the State Highway Patrol. This bill changes that requirement to having the first \$1 million collected annually from boat title and registration fees be deposited into the State General Revenue Fund beginning July 1, 2019.

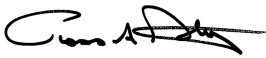
All fees collected in excess of that must be deposited into the Water Patrol Division Fund to be used exclusively for the Water Patrol Division of the State Highway Patrol.

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 - Missouri Highway Patrol
Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration - Budget and Planning

Ross Strobe

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

Acting Director
April 10, 2018