

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0515-04
Bill No.: HB 291
Subject: Boats and Watercraft; Public Safety Department; Water Patrol.
Type: Original
Date: February 21, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$109,023	\$137,357	\$137,357
Total Estimated Net Effect on General Revenue Fund	\$109,023	\$137,357	\$137,357

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Missouri State Water Patrol Fund	\$2,422,721	\$2,907,265	\$2,907,265
Total Estimated Net Effect on <u>Other</u> State Funds	\$2,422,721	\$2,907,265	\$2,907,265

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Cole County Collector’s Office** assume the proposal would not fiscally impact their agency.

In response to a similar proposal from the 2004 session (HB 1049), officials from the **Office of the State Treasurer (STO)** stated they are required by this proposal to approve disbursements to the “Missouri State Water Patrol Fund.” The STO stated they currently do not approve disbursements, therefore, request one FTE at the level of Accounting Analyst I (at \$30,804 per year) as well as the corresponding expenses and equipment. The STO assumes a total cost of the FTE to be roughly \$47,000 per year to the General Revenue Fund.

Oversight assumes the STO will be able to administer the duties resulting from this proposal with existing resources.

Officials from the **Department of Public Safety - State Water Patrol** assume the annual state revenue would increase by approximately \$3.2 million annually as a result of this proposal. The increase in revenue is based on the number of current boat registrations. Since the registrations are required every 3 years, the number of registrations are divided by 3 and then multiplied by the

ASSUMPTION (continued)

proposed increase in fees. The GR fund from vessel registrations would increase from the current approximately 1.9 million to 2 million dollars with the additional \$3.1 million being deposited in the Water Patrol Fund for expenses related to personnel, equipment and training.

Officials from the **Department of Revenue (DOR)** state this legislation will provide that when applying for or renewing a certificate of number for a vessel, including a vessel documented by the United States Coast Guard, the owner must submit a paid personal property tax receipt for the tax year immediately preceding the year of application or renewal showing that the vessel being renewed or registered is listed on the personal property receipt. The legislation also increases the fees paid for a certificate of number for a vessel. Two million dollars of the increase shall be deposited into general revenue with the remaining collections over two million to be deposited in the Missouri state water patrol fund. The money in the Missouri state water patrol fund shall be used exclusively for the Missouri state water patrol. Upon appropriation money in the fund shall be used solely for the expenses of the Missouri water patrol, including but not limited to personnel expense, training expense, and equipment expense and it shall not be used as a substitute for general revenue already appropriated for the operation of the water patrol.

DOR's Driver and Vehicle Safety Bureau will incur costs to mail information to marine dealers and to notify owners of the increased fees and the personal property tax receipt requirements, envelopes and postage in the amount of \$5,441. DOR assumes the following revenue impact;

REVENUE IMPACT

Vessel Length	Current fee	Boats		Proposed fee	New total
		registered	Current fee		
Under 16 feet	\$10.00	128,313	\$1,283,130	\$ 20	\$ 2,566,260
16 feet to 26 feet	\$20.00	190,317	\$3,806,340	\$ 55	\$10,467,435
26 feet to 40 feet	\$30.00	14,490	\$ 434,700	\$100	\$ 1,449,000
40 feet and over	\$40.00	1,594	<u>\$ 63,760</u>	\$150	<u>\$ 239,100</u>
Total amount of fees			\$5,587,930		\$14,721,795

The total would need to be divided by 3 since vessels are renewed every three years

	\$1,862,643	\$4,907,265
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DOR estimates the amount that will go into the Missouri State Water Patrol Fund to be;	
FY06 (10 mos)	\$2,422,721
FY07	\$2,907,265
FY08	\$2,907,265
	(New fee amount minus \$2,000,000 required for General Revenue - or \$4,907,265 - \$2,000,000)

ASSUMPTION (continued)

The amount of revenue currently being distributed to General Revenue based on 1/24/05 volumes and the current fee is \$1,862,643. This proposal increases the fees and requires \$2,000,000 to be distributed to general revenue; therefore, the general revenue increase results in the following:

Amount of General Revenue Gain

FY06 (10 mos)	\$114,464	
FY07	\$137,357	(\$2,000,000 - \$1,862,643)
FY08	\$137,357	

Officials from the **Greene County Collector's Office**, **St. Louis County Collector's Office** and the **Clay County Collector's Office** did not respond to our request for fiscal impact.

This proposal would increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Income</u> - Additional fee from registration of a vessel	\$114,464	\$137,357	\$137,357
<u>Costs</u> - DOR for informational mailing	<u>(\$5,441)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$109,023</u>	<u>\$137,357</u>	<u>\$137,357</u>

MISSOURI STATE WATER PATROL FUND

<u>Income</u> - Additional fee from registration of a vessel	<u>\$2,422,721</u>	<u>\$2,907,265</u>	<u>\$2,907,265</u>
ESTIMATED NET EFFECT TO THE MISSOURI STATE WATER PATROL FUND	<u>\$2,422,721</u>	<u>\$2,907,265</u>	<u>\$2,907,265</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<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.

DESCRIPTION

This proposal increases the fee for a certificate of number when registering the following vessels:

- (1) Under 16 feet in length from \$10 to \$20;
- (2) 16 feet to 26 feet in length from \$20 to \$55;
- (3) 26 feet to 40 feet in length from \$30 to \$100; and
- (4) 40 feet and longer from \$40 to \$150.

The first \$2 million collected annually for numbering will be deposited into the General Revenue Fund. All fees collected in excess of \$2 million will be deposited into the newly created Missouri State Water Patrol Fund. Moneys in this fund, subject to appropriation, will be used solely for the expenses of the State Water Patrol. Revenue remaining in the fund at the end of the biennium will not revert to the credit of the General Revenue Fund.

When applying for or renewing a vessel's certificate of number, from the state or for a vessel documented with the United States Coast Guard, the owner must submit proof that all personal property taxes owed or previously owed on the vessel have been paid or that no taxes were due.

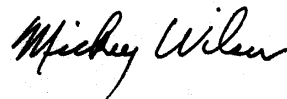
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Public Safety
State Water Patrol
Department of Revenue
Cole County Collector

NOT RESPONDING: Office of the State Treasurer, Greene County Collector's Office, St. Louis County Collector's Office and the Clay County Collector's Office



Mickey Wilson, CPA
Director
February 21, 2005