

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0104-02
Bill No.: HB 192
Subject: Boats and Watercraft; Water Patrol
Type: Original
Date: December 27, 2016

Bill Summary: This proposal requires boat title and registration fees collected annually in excess of one million dollars to be deposited in the Water Patrol Division Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Total Estimated Net Effect on General Revenue	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Missouri State Water Patrol	\$1,000,000	\$1,000,000	\$1,000,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,000,000	\$1,000,000	\$1,000,000

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol** state currently, the first \$2 million collected each year for boat title and registration fees is deposited into General Revenue, and then any revenue in excess of that is deposited into the Water Patrol Fund. This legislation would reduce that threshold to \$1 million. In recent years, there has always been an excess of \$2 million collected, so at some point during the year the deposits begin going into the Water Patrol Fund instead of into General Revenue. The Patrol assumes that revenues would continue to exceed \$2 million per year, so the first \$1 million would continue to go to General Revenue as always, but the second \$1 million would now go to Water Patrol Fund.

The end result would be a shift of \$1 million per year in revenue from General Revenue to Water Patrol Fund, as General Revenue would see an annual \$1 million loss of revenue and Water Patrol Fund would see an annual \$1 million increase in revenue.

Officials from the **Office of Administration - Budget and Planning** state currently, the first \$2 million in boat title and registration fees is deposited into General Revenue. Any collections beyond \$2 million is deposited into the Water Patrol Fund. This legislation would reduce the \$2 million trigger to \$1 million. 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** assume the proposal would not fiscally impact their agency.

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.

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 three years, the Missouri State Water Patrol Fund has had the following receipts into the fund:

FY 2016	\$2,661,931
FY 2015	\$2,768,015
FY 2014	\$2,962,600

ASSUMPTION (continued)

The balance of the fund on November 30, 2016 was \$1,282,850.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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>(\$1,000,000)</u>	<u>(\$1,000,000)</u>	<u>(\$1,000,000)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$1,000,000)</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>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>
ESTIMATED NET EFFECT TO THE MISSOURI STATE WATER PATROL FUND	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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.

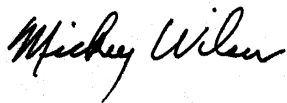
FISCAL DESCRIPTION

Currently, the first \$2,000,000 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 \$1,000,000 collected annually from boat title and registration fees be deposited into the State General Revenue Fund. 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 Administration - Budget and Planning



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Director
December 27, 2016

Ross Strope
Assistant Director
December 27, 2016