

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4345-02
Bill No.: Perfected HCS for HB 1300
Subject: Water Patrol; Boats and Watercraft
Type: Original
Date: February 20, 2018

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

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 Other State Funds	\$0	\$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 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 **Office of Administration - Budget and Planning (B&P)** 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, starting in FY 20. 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.

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume 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.

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 December 31, 2017 was \$515,714.

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).

<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

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 Administration - Budget and Planning

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