

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0202-01
Bill No.: SB 1
Subject: Boats and Watercraft; Water Patrol
Type: Original
Date: January 17, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	\$85,778	\$46,588	\$14,713
Total Estimated Net Effect on General Revenue Fund	\$85,778	\$46,588	\$14,713

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Prosecution Services** state that as this proposal creates new crimes, it will impact the caseloads of prosecutors but the effect should not be substantial.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Missouri State Water Patrol's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 4 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 6 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal is estimated to be \$246, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal, however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue, Office of the State Public Defender** and the **State Treasurer's Office** each assume this proposal would not fiscally impact their respective agencies.

Officials from the **Office of State Courts Administrator (CTS)** assume this proposal would require persons under twenty-one to obtain what amounts to a license to operate a motorboat. Violators must complete a boating safety education course and file proof of completion with the courts.

CTS assumes that depending on the degree of enforcement, there could be an impact on some courts. However, CTS assumes that after a period of adjustment, there will be substantial compliance and therefore, no long-term workload impact.

Officials from the **Department of Public Safety - Missouri State Water Patrol (MWP)** assume that the number of watercraft registrations for a year does not reflect the age group that is targeted in this legislation. The revenue for permanent boating safety identification card that would be received for the successful completion of the Boating Safety course would not be realized until after the Mandatory Boating Education Program was established.

The MWP estimates that the number of students to complete and pass the course and request a permit in the 1st year would be around 30,000. The 2nd year is estimated at 20,000 and the 3rd year and each year thereafter to be around 15,000. The MWP estimates a charge of \$15 for the permanent boating safety identification card to cover the costs of the program and the i.d. cards.

The MWP assumes the need for one Water Patrol Sergeant FTE (at \$45,156 annually) to administer the mandatory education program. The WMP also assumes the need for additional E&E based on specific equipment and supplies needed to administer the program and to replace an officer in the field that would be moved to GHQ. The cost to produce, mail and to print the education materials for the Mandatory Boating Education Program is estimated to be \$4 per card. This does not cover the cost to administer the program.

L.R. No. 0202-01
Bill No. SB 1
Page 4 of 7
January 17, 2003

RAS:LR:OD (12/02)

ASSUMPTION (continued)

Oversight assumes MWP may charge a fee for the card that does not substantially exceed the costs of administrating this section. According to the Department of Revenue (DOR) 2000 Comprehensive Annual Financial Report, the Department of Revenue processed 119,405 watercraft registrations in 2002, 113,504 in 1999 and 116,500 in 1998. This was based on a 3-year renewal, so the assumption is made that there are actually 349,409 marine vessels currently registered in Missouri. In a fiscal note for similar legislation in a previous year, Oversight utilized the number of boat registrations to estimate the number of persons that would be issued the identification card each year. This year, however, Oversight has received the estimate by MWP regarding the number of possible applicants (30,000 initially, 20,000 in the second year and 15,000 each year thereafter), and have utilized these estimates.

Since the application is a one-time occurrence with no renewal, **Oversight** assumes the volume of cards issued will decrease in subsequent years. For purposes of this fiscal note, in order to cover costs in the third and subsequent years, Oversight assumes fee revenue to MWP based on \$10.00 per card issued.

Oversight will utilize the estimate of \$4.00 per card to produce, mail and print the education materials and a fee of \$10.00 charged to each licensee.

	FY 2004	FY 2005	FY 2006
	(30,000)	(20,000)	(15,000)
I.D.Production Costs (\$4 each)	(\$120,000)	(\$80,000)	(\$60,000)
Fees received (\$10 each)	\$300,000	\$200,000	\$150,000

Oversight assumes if volumes are not as anticipated or if production costs vary significantly, the MWP would adjust fee charged for the card accordingly.

This proposal will increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Income</u> - Missouri Water Patrol (MWP)			
I.D. Fees	\$300,000	\$200,000	\$150,000
<u>Costs</u> - Missouri Water Patrol (MWP)			
Personal Service (1 FTE)	(\$38,571)	(\$46,285)	(\$47,442)
Fringe Benefits	(\$15,610)	(\$18,732)	(\$19,200)
Expense and Equipment	(\$40,041)	(\$8,395)	(\$8,645)
I.D. Production & class materials	<u>(\$120,000)</u>	<u>(\$80,000)</u>	<u>(\$60,000)</u>
<u>Total Costs</u> - MWP	<u>(\$214,222)</u>	<u>(\$153,412)</u>	<u>(\$135,287)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$85,778</u>	<u>\$46,588</u>	<u>\$14,713</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2004 (10 Mo.)	 FY 2005	 FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Marinas that rent out boats and personal watercraft covered under this legislation will have to verify boating safety identification cards before rental of boats.

DESCRIPTION

This proposal requires any person born after August 28, 1982, to possess a boating safety identification card in order to operate a vessel or personal watercraft on the waters of this state, excluding rivers. The State Water Patrol will issue the card. The card will be issued to persons who: (1) have successfully completed a boating safety course approved by the National Association of State Boating Law Administrators and certified by the State Water Patrol; (2) have passed an equivalency

DESCRIPTION (continued)

examination prepared and administered by the State Water Patrol; or (3) hold a valid master's, mate's, or operator's license issued by the United States Coast Guard.

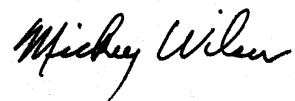
The State Water Patrol may charge a fee for the card that does not substantially exceed the administrative cost of this provision. No individual will be stopped or detained for the purpose of checking to see if the individual holds a boating safety identification card.

The proposal also requires that any person convicted of certain boating offenses must enroll and complete a boating safety education course which meets the State Water Patrol's minimum standards, file proof of successful completion of the course with the court, and not operate a vessel until filing proof.

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 Water Patrol
Office of the State Courts Administrator
Department of Revenue
State Treasurer's Office
Office of Prosecution Services
Office of the State Public Defender
Office of the Secretary of State



Mickey Wilson, CPA
Director
January 17, 2003