

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0202-05
Bill No.: Truly Agreed to and Finally Passed SCS #2 for SB 1
Subject: Boats and Watercraft; Water Patrol.
Type: Original
Date: May 8, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	\$0	\$67,958	\$43,047
Total Estimated Net Effect on General Revenue Fund	\$0	\$67,958	\$43,047

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 6 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

In response to a previous version of this proposal, officials from the **Office of Prosecution Services** stated that any costs resulting from the proposal could be absorbed with existing resources.

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 6 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 9 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal is estimated to be \$369, 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in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn.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 **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 that even though this substitute adds an effective date of January 1, 2005, there will still be roughly 30,000 permits issued in the first fiscal year since the MWP may issue the cards prior to January 1, 2005 and also since the second six months of FY 2005 (January through June) would be considered the pre-boating season where youths will be getting ready for the boating season. 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 beginning in FY 2005. 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 MWP assumes the need for the

ASSUMPTION (continued)

additional FTE for the entire FY 2005 even though youths are not required to have the boating safety identification cards until January 1, 2005. The MWP assumes the FTE will be needed to set up and establish the program in the first part of FY 2005 as well as perhaps offer the tests and cards prior to the required date of having the boating safety identification cards. 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.

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 (not reflected in the fiscal note), 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
	0	(30,000)	(20,000)
I.D.Production Costs (\$4 each)	0	(\$120,000)	(\$80,000)
Fees received (\$10 each)	0	\$300,000	\$200,000

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	\$0	\$300,000	\$200,000
<u>Costs</u> - Missouri Water Patrol (MWP)			
Personal Service (1 FTE)	\$0	(\$47,442)	(\$48,628)
Fringe Benefits	\$0	(\$19,200)	(\$19,680)
Expense and Equipment	\$0	(\$45,400)	(\$8,645)
I.D. Production & class materials	<u>\$0</u>	<u>(\$120,000)</u>	<u>(\$80,000)</u>
<u>Total Costs</u> - MWP	<u>\$0</u>	<u>(\$232,042)</u>	<u>(\$156,953)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$67,958</u>	<u>\$43,047</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

Beginning January 1, 2005, any person born after August 28, 1984, shall possess a boating safety identification card in order to operate a vessel on the lakes of this state. 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 examination prepared and administered by

DESCRIPTION (continued)

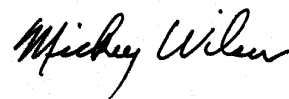
the State Water Patrol; or (3) hold a valid master's, mate's, or operator's license issued by the United States Coast Guard.

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
State Treasurer's Office
Office of Prosecution Services
Office of the State Public Defender
Office of the Secretary of State



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