

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5618-07  
Bill No.: Truly Agreed To and Finally Passed CCS No. 2 for SS for SCS for SB 719  
Subject: Boats and Watercraft; Water Patrol  
Type: Original  
Date: June 5, 2012

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Bill Summary: This proposal relates to transportation.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Water Patrol Fund	\$8,500	\$8,500	\$8,500
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$8,500</b>	<b>\$8,500</b>	<b>\$8,500</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 302.173 (military skills test for motorcycle endorsement); and Section 306.532 (outboard motor titles);

Officials from the **Department of Revenue (DOR)** state the administrative impact would be minimal based on the assumption the department would not be required to make changes to the current skills test waiver process, provide statistical data related to the number of military persons who would use the proposed motorcycle skills test waiver provisions, or incur cost for forms or other verification processes by requiring military applicants to present a standardized proof of completion card or document from the military training course as approved by the Department of Public Safety, Department of Transportation, Highway safety Division and Missouri Central State University Safety Center.

The DOR's Driver License Bureau (DLB) state the proposed changes will require draft updates to web site information and draft updates to the printed and electronic versions of the driver manual. DOR's DLB assumed these changes will be included upon the next review and reorder and will not require additional cost for destruction of the prior manuals and reassurance of updated manuals.

DOR's DLB estimates 10 hours of overtime for draft updates for one Administrative Analyst (at \$24 per hour or \$240) and the same for one Management Analysis Specialist II (at \$23 per hour or \$230). DOR also assumes the need for 10 hours for one Revenue Band Manager for web page updates (at \$30 per hour or \$300). Total DOR DLB expense is estimated to be \$770.

DOR's Personnel Services Bureau estimates 10 hours for one Administrative Analyst III (at \$22 per hour or \$220) and 80 hours for work two Management Analysis Specialist I (at \$21 per hour or \$1,680) to update website and driver guild information.

Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$2,670 calculated on 120 FTE hours.

Regarding changes to Section 306.532, DOR state any new outboard motor purchased by a dealer from the manufacturer on or after July first of any year shall be labeled with the "Year Manufactured" of the immediately following calendar year unless the manufacturer indicates a specific model or program year. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182. The Department's web site will need to be updated.

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ASSUMPTION (continued)

This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319.

In summary, DOR assumes a cost of \$4,171 (\$770 + \$1,900 + \$1,182 + \$319) in FY 2013 to provide for the implementation of the changes in this proposal.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Section 306.127 (temporary boater permits);

Officials from the **Department of Public Safety - Missouri Highway Patrol** state this bill would require any person or company that rents or sells vessels to issue a temporary boating safety identification card to a nonresident in order to operate a rented vessel or vessel being considered for sale for a period up to seven days. The cost to purchase a permit is \$9.

Because nonresidents will not be eligible for more than one temporary boating safety identification card, the Highway Patrol states that it would take two FTE approximately 400 hours to design, develop, test, and implement the programs and/or databases necessary to implement this legislation. The Patrol will develop this program in-house; therefore, any costs associated with the development and implementation of this database will be absorbed by the Patrol. It is unknown how many permits will be requested. For purposes of this fiscal note, the Patrol estimates that 1,000 permits will be issued throughout a year ( $\$9 \times 1,000 = \$9,000$ ). Since there is an option for payment by credit or debit card, the Patrol will have to pay \$1 to a collection service for every card transaction. The Patrol assumes that half of the customers will pay by card, with a corresponding expense of \$500 ( $\$1 \times 500$ ). The Patrol assumes the cost and revenue from this proposal will be through the Water Patrol Fund.

The proposal has an emergency clause; therefore, Oversight will reflect a full year of impact in FY 2013.

Officials from the **Office of the Secretary of State** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. The

ASSUMPTION (continued)

Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Transportation** assume the proposal would not fiscally impact their agency.

Section 577.073 (use of public roads within state parks):

Officials from the **Department of Natural Resources (DNR)** state Missouri State Parks operates parks where vessels are rented out, either through DSP staff or through concessionaire contracts. Proposal would require staff time to manage the additional requirements set forth in this legislation and establishing means to transfer the fee to the Missouri State Highway Patrol. Additional staff time can be absorbed to through existing resources. However, no fiscal impact anticipated to DSP.

DNR states under 253.080 RSMo, the department is authorized to award by contract the right to operate public services within the parks and historic sites under the department's control, through a concessionaire contract. These contracts give concessionaires the exclusive rights to operate watercraft rentals, marinas, restaurants, lodging and other services within the state parks as authorized in the contract. Allowing other organizations to advertise and offer services utilizing parks roads and trails would jeopardize the contract the department and concessionaire operates under, potentially nullifying the contract and subjecting the department to unwanted legal action resulting in an unknown fiscal impact.

Many of the concessionaire contracts the department operates under, include the use of watercraft rentals which the department receives a portion of revenue. Allowing canoe rental organizations to utilize state parks could potentially take away revenue received by the department from the parks that have watercraft services. The department receives approximately \$100,000 in annual revenue through the use of watercraft rentals. Over the life of a 20-year concessionaire contract, potential loss of revenue to the department's Division of State Parks (DSP) is \$2 million.

Under 253.080 RSMo, the department is authorized to award by contract the right to operate public services within the parks and historic sites under the department's control, though a

ASSUMPTION (continued)

concessionaire contract. These contracts give concessionaires the exclusive rights to operate watercraft rentals, marinas, restaurants, lodging and other services within the state parks as authorized in the contract. Allowing other organizations to advertise and offer services utilizing parks roads and trails would jeopardize the contract the department and concessionaire operates under, potentially nullifying the contract and subjecting the department to unwanted legal action. If DSP is found to be in breach of contract with the concessionaire, the department could be held liable for the loss of income plus the same amount in damages. Over the course of a 20-year contract, the department could be liable for up to an estimated \$4 million in revenue.

**Oversight** assumes changes to Section 577.073 would allow commercial and noncommercial organizations to use trails and roads within Missouri State Parks for the purpose of transporting persons and vehicles, including but not limited to canoes.

**Oversight** assumes any costs related to this proposal would be minimal and could be absorbed by DNR.

**Oversight** assumes if DNR experiences a significant increase in costs or a reduction in revenue as a result of this proposal, the department may request additional funding through the normal appropriation process.

For the purpose of the fiscal note, **Oversight** assumes there is no fiscal impact from this part of the proposed legislation on state or local government funds.

<u>FISCAL IMPACT - State Government</u>	FY 2013	FY 2014	FY 2015
<b>WATER PATROL FUND</b>			
<u>Income - Missouri Water Patrol</u>			
Sale of temporary boating safety identification cards to nonresidents	\$9,000	\$9,000	\$9,000
<u>Cost - Missouri Water Patrol</u>			
Cost of temporary boating safety identification cards	<u>(\$500)</u>	<u>(\$500)</u>	<u>(\$500)</u>
<b>ESTIMATED NET EFFECT TO THE WATER PATROL FUND</b>	<b><u>\$8,500</u></b>	<b><u>\$8,500</u></b>	<b><u>\$8,500</u></b>

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<u>FISCAL IMPACT - Local Government</u>	FY 2013	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that rent/sell boats or personal watercraft could be positively impacted as a result of this proposal.

FISCAL DESCRIPTION

Any person or company that rents or sells vessels may issue temporary boating safety identification cards to nonresidents to operate rented vessels or vessels being considered for sale, for a period of up to 7 days, provided that the individual meets the minimum age requirements for operating a vessel in this state. In order to qualify for the temporary boating safety identification card, the applicant shall sign an affidavit that he or she has reviewed the Missouri State Highway Patrol Handbook of Missouri Boating Laws and Responsibilities. The Missouri State Highway Patrol shall charge a fee \$9 for the temporary boating safety identification card. The business entity renting the vessel shall be responsible for processing the temporary boating safety identification card and shall transmit the applicant's temporary boating safety identification card information electronically to the Missouri State Highway Patrol using an electronic online registration process developed and provided by the Highway Patrol.

Nonresidents shall not be eligible for more than one temporary boating safety identification card.

The substitute has an emergency clause.

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

L.R. No. 5618-07

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SOURCES OF INFORMATION

Office of the Secretary of State  
Department of Public Safety  
Department of Revenue  
Department of Transportation  
Department of Natural Resources

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a prominent loop at the end of the last name.

Mickey Wilson, CPA  
Director  
June 5, 2012

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