

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5246-01  
Bill No.: SB 986  
Subject: Crimes and Punishment; Department of Public Safety; State Treasurer  
Type: Original  
Date: March 6, 2020

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Bill Summary: This proposal establishes the Economic Distress Zone Fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	\$0 to (Could Exceed \$164,200)	\$0 to (Could Exceed \$174,511)	\$0 to (Could Exceed \$175,154)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (Could Exceed \$164,200)</b>	<b>\$0 to (Could Exceed \$174,511)</b>	<b>\$0 to (Could Exceed \$175,154)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Economic Distress Zone Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Revenue and expenditures net to zero.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 or 1 FTE</b>	<b>0 or 1 FTE</b>	<b>0 or 1 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §650.550 - Economic Distress Zone Fund

Officials from the **Department of Public Safety (DPS)** state this proposal creates a new fund in the state treasury to be used solely by the DPS for the purposes of providing funding to organizations registered with the United States Internal Revenue Services as a 501(c)(3) corporation that provide services to residents of this state in areas of high incidents of crime and deteriorating infrastructure, for the purpose of deterring criminal behavior in such areas. The DPS shall promulgate rules to carry out the provisions of this section, including delineating what constitutes an area with high incidents of crime and deteriorating infrastructure.

It does not establish a specific source from which monies will be collected by the fund. It also does not specify if fund monies can be spent on administration of the fund.

The DPS believes it will require one (1) Public Safety Program Specialist to administer the fund, promulgate rules and determine and disseminate criteria for such a program.

**Oversight** assumes DPS could absorb some of the additional duties without adding an FTE; however, DPS has stated these costs cannot be absorbed. Therefore, depending upon the number of 501(c)(3) corporations that qualify for DPS funding and the amount of appropriations available, Oversight will range the cost from \$0 (FTE can be absorbed) to the estimate provided by DPS (FTE is not absorbed) to the General Revenue Fund. Oversight will range the amount of state appropriations for this program from \$0 to Could exceed \$100,000.

**Oversight** assumes an unknown income to the Economic Distress Fund from appropriation, gifts, grants, bequests, or contributions. For fiscal note purposes, Oversight assumes services provided under this proposal will equal income and net to zero.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain

ASSUMPTION (continued)

amount of normal activity resulting from each year’s legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

**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 require additional resources.

**Oversight** notes the **State Treasurer’s Office** has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this agency.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022 (6 Mo.)	FY 2023
<b>GENERAL REVENUE FUND</b>			
<u>Transfer Out</u> - To Economic Distress Zone Fund	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)
<u>Cost - DPS</u> (\$650.550) Administer Economic Distress Zone Fund	\$0 or...	\$0 or...	\$0 or...
Personal Services	(\$38,476)	(\$46,633)	(\$47,099)
Fringe Benefits	(\$22,378)	(\$27,007)	(\$27,162)
Equipment and Expense	(\$3,346)	(\$871)	(\$893)
<u>Total Cost - DPS</u>	<u>(\$64,200)</u>	<u>(\$74,511)</u>	<u>(\$75,154)</u>
FTE Change - DPS	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>\$0 to (Could Exceed \$164,200)</u></b>	<b><u>\$0 to (Could Exceed \$174,511)</u></b>	<b><u>\$0 to (Could Exceed \$175,154)</u></b>
Estimated Net FTE Change for the General Revenue Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022 (6 Mo.)	FY 2023
<b>ECONOMIC DISTRESS ZONE FUND</b>			
<u>Transfer In</u> - From General Revenue Fund	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000
<u>Costs</u> - DPS - Funding to organizations	<u>\$0 or (Could exceed \$100,000)</u>	<u>\$0 or (Could exceed \$100,000)</u>	<u>\$0 or (Could exceed \$100,000)</u>
<b>ESTIMATED NET EFFECT ON THE ECONOMIC DISTRESS ZONE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022 (6 Mo.)	FY 2023
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act establishes the "Economic Distress Zone Fund" which shall be a fund used solely by the Department of Public Safety to provide funding to organizations registered with the IRS as a 501(c)(3) corporation that provide services to residents of Missouri in areas of high incidents of crime and deteriorating infrastructure for the purpose of deterring criminal behavior in such areas. The Department shall promulgate rules determining what constitutes an area with high incidents of crime and deteriorating infrastructure.

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

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SOURCES OF INFORMATION

Department of Public Safety  
Joint Committee on Administrative Rules  
Office of Secretary of State  
State Treasurer's Office



Julie Morff  
Director  
March 6, 2020



Ross Strope  
Assistant Director  
March 6, 2020