

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1075S.01I
 Bill No.: SB 57
 Subject: Crimes and Punishment; Public Safety, Department of; State Treasurer
 Type: Original
 Date: January 22, 2021

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	\$0 to (Could exceed \$164,760)	\$0 to (Could exceed \$175,183)	\$0 to (Could exceed \$175,828)
Total Estimated Net Effect on General Revenue	\$0 to (Could exceed \$164,760)	\$0 to (Could exceed \$175,183)	\$0 to (Could exceed \$175,828)

*Oversight has presented this fiscal note as a range of \$0 (no state appropriation made to the Economic Distress Zone Fund and therefore no administrative expenses incurred by the Department of Public Safety), to an appropriation to the new fund of at least \$100,000 and a corresponding need for a new DPS employee (at a cost of roughly \$75,000 per year) to administer this new program...all subject to appropriation.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Economic Distress Zone Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Revenue and expenditures net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§650.550 – Economic Distress Zone Fund

Officials from the **Department of Public Safety - Office of the Director (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 (additional duties can be absorbed) to the estimate provided by DPS (FTE is needed) 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** assume this proposal 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** notes 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 \$5,000. The 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.

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.

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Transfer Out - To</u> 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	(\$22,936)	(\$27,679)	(\$27,836)
Equipment and Expense	(\$3,348)	(\$871)	(\$893)
<u>Total Cost - DPS</u>	(\$64,760)	(\$75,183)	(\$75,828)
FTE Change - DPS	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 to (Could exceed \$164,760)</u>	<u>\$0 to (Could exceed \$175,183)</u>	<u>\$0 to (Could exceed \$175,828)</u>
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> (continued)	FY 2022 (10 Mo.)	FY 2023	FY 2024
ECONOMIC DISTRESS ZONE FUND			
<u>Transfer In - From General Revenue Fund</u>	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000
<u>Costs - DPS - Funding to organizations</u>	<u>\$0 or (Could exceed \$100,000)</u>	<u>\$0 or (Could exceed \$100,000)</u>	<u>\$0 or (Could exceed \$100,000)</u>
ESTIMATED NET EFFECT ON THE ECONOMIC DISTRESS ZONE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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

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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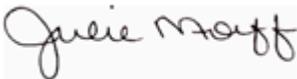
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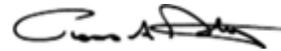
January 22, 2021

SOURCES OF INFORMATION

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



Julie Morff
Director
January 22, 2021



Ross Strope
Assistant Director
January 22, 2021