

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2945-10
Bill No.: Truly Agreed to and Finally Passed CCS no.2 for HCS for SB 795
Subject: St. Louis County: Telecommunications
Type: Original
Date: May 31, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$304,246)	(\$86,590)	(\$79,371)
Boiler and Pressure Vessels Safety	\$304,246	\$86,590	\$79,371
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** assume sales taxes would no longer be an option for financing emergency communications systems, therefore, officials assume no fiscal impact to the DOR. (Sections 650.390 - 650.411)

Officials of the **Department of Public Safety- Division of Fire Safety** assume this proposal would have fiscal impact based on several assumptions. **1)** Officials assume that the provisions of this proposal would have an effective date of September 1, 2002 or for 10 months of state fiscal year 2003;. **2)** Officials assume that beginning on September 1, 2002, fees which are currently deposited into the State's General Revenue Fund would now be deposited into the new Boiler and Pressure Vessels Safety Fund, which would result in the State's General Revenue Fund having a financial loss of approximately \$304,246, (the amount of annual revenues realized from all fees), with income of the same amount going into the new Safety Fund; **3)** officials assume that beginning on July 1, 2003 (or State's Fiscal Year 2004) the legislature would for the first time appropriate money from the Boiler and Pressure Vessels Safety Fund for the operation of the Boiler and Pressure Vessels Safety Board and inspection unit; **4)** officials assume at that time (July 1, 2003 state fiscal year 2004), or for 12 months of fiscal year 2004 there would be fiscal impact to the Boiler and Pressure Vessels Safety Fund for defraying the cost of operation of the Board. Officials estimate current income from all fees at approximately \$365,095 and annual operation costs at \$271, 471. (Section 650.277)

Oversight assumes any Political Subdivision that performs the inspections required would receive the fee directly. Oversight will show income and costs of inspection to locals, and assumes they would either zero out or there would be a positive fiscal balance annually. (Section 650.277)

Secretary of State Officials assume that the Boiler and Pressure Vessel Safety Board would set fees by rule. Officials assume this could result in additional publications in the *Missouri Register*, and the *Code of State Regulations*. Officials stated that the publication cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less than the numbers estimated. The impact in future years is unknown, and depends upon the frequency and length of rules filed, amended, rescinded, and withdrawn. Officials estimate costs of publication in FY 2003 at \$1,476, and is Unknown in FY 2004, and 2005.

ASSUMPTION (continued)

Oversightsight assumes that the only rules that would be promulgated by the Board would be the amount of fees for inspections, permits, licenses, and certificates. The Board would be allowed to alter the fee schedule once every two years. Oversight assumes any publication cost would be minimal and could be absorbed at current appropriation levels. (Section 650.277)

Sections 650.390 to 650.411: Emergency Communications System:

Officials of the **City of Kirkwood** assume this proposal is permissive, and would only have impact if the County with voter approval would establish an emergency communications system district. Assuming that the Kirkwood Chief of Police were appointed a member of the communication commission, officials would expect a time commitment of 6 hours per month. The cost is already embedded in the salary structure, but it has a value of \$3,545 annually. Officials assume no fiscal impact.

Officials of **University City** assume no fiscal impact.

The following political subdivisions did not respond , however, in response to similar legislation from last session, the following subdivisions submitted their fiscal impact statements:

Officials of the **Office of the Director of Administration for St. Louis County** stated that this proposal would not have any fiscal impact for St. Louis County because they are not obligated to set up an Emergency Communications Systems District.

Officials of the **University City Police Department, LeMay Fire Protection District**, assume there would be no fiscal impact. Officials assume there would be election costs if voters were asked to approve a funding source.

Officials of the **Creve Coeur Police Department, City of Bridgeton Police Department and the City of Brentwood Police Department** stated that if an Emergency Communication tax were approved by the voters their departments would be able to afford communication equipment that is needed. Officials assume no impact to their departments.

Oversight assumes this is enabling legislation and would require action by St. Louis County's governing body with voter approval of a 6 cents per one hundred dollars of assessed valuation, before there would be fiscal impact. Oversight assumes there would be income from the tax, and costs of establishing and maintaining an Emergency Communications System.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 mo.)	FY 2004	FY 2005
 GENERAL REVENUE FUND			
<u>Savings</u> to General Revenue from operation costs (Section 650.277)	\$0	\$278,505	\$285,724
<u>Loss</u> to General Revenue Fund from transfer of fees to Boiler and Pressure Vessels Safety Board	<u>(\$304,246)</u>	<u>(\$365,095)</u>	<u>(\$365,095)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$304,246)</u>	<u>(\$86,590)</u>	<u>(\$79,371)</u>
 <u>Cost</u> to Secretary of State Rules Publication	 <u>Minimal</u>	 <u>Minimal</u>	 <u>Minimal</u>
 BOILER and PRESSURE VESSELS SAFETY FUND (Section 650.277)			
<u>Income</u> to Boiler and Pressure Vessels Safety Fund from inspection fees etc. from Boiler and Pressure Vessels Safety Board	\$304,246	\$365,095	\$365,095
<u>Costs</u> to Boiler and Pressure Vessels Safety Fund from operation cost of Boiler and Pressure Vessels Safety Board	<u>\$0</u>	<u>(\$278,505)</u>	<u>\$285,724</u>
ESTIMATED NET EFFECT TO BOILER AND PRESSURE VESSELS SAFETY BOARD	<u>\$304,246</u>	<u>\$86,590</u>	<u>\$79,371</u>

	FY 2003 (10 Mo.)	FY 2004	FY 2005
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FISCAL IMPACT - Local Government

POLITICAL SUBDIVISIONS

<u>Income</u> to certain political subdivisions from inspection fees of Boilers and Pressure Vessels (Section 650.277)	Unknown	Unknown	Unknown
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<u>Costs</u> to certain political subdivisions from boiler and vessels inspections	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO CERTAIN POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**EMERGENCY COMMUNICATIONS
 FUND ST. LOUIS COUNTY**

<u>Income</u> to Communication System Fund from either a property tax or sales tax	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Cost</u> to Communications System Fund from providing communications services	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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Estimated Net Effect to Emergency Communications System Fund *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Local Public Safety Entities

<u>Income</u> - to Public Safety Entities from Emergency Communication Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Cost</u> to Public Safety Entities from providing Communications	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>FISCAL IMPACT - Local Government</u>			
Total costs to Public Safety Entities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net Effect to Local Government *	\$0	\$0	\$0

*** Oversight assumes this proposal is permissive. The income and costs as described above would not occur without action by the governing body, with a voter approved tax. Oversight assumes cost would not exceed income to any of the special funds as listed above, therefore, the annual estimated net effect to each fund would be either zero or a positive unknown. For purposes of this fiscal note annual fund balance will be shown a \$0**

FISCAL IMPACT - Small Business

If St. Louis County were to establish a Communications Commission, and voters would approve a property tax, small business could expect to pay the tax..

DESCRIPTION

This bill allows St. Louis County to establish an Emergency Communications System District. The purpose of the Emergency Communications System is to provide a wireless communication network that permits governmental or public safety entities to communicate within the area served. The district would be managed by a seven-member commission appointed by the chief executive officer of the county. The bill outlines the qualifications and term of office of commission members and the powers of the commission. The powers of the commission include the issuance of bonds. The issuance of bonds must be approved by the voters of the district. The county, upon voter approval, may levy a property tax not to exceed 6 cents per \$100 of assessed valuation for the purpose of establishing and maintaining the system. All funds collected from the tax will be deposited in the Emergency Communication System Fund established by the bill.

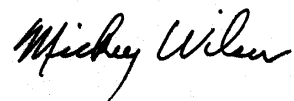
Section 650.277 creates a new fund to be known as the “ Boiler and Pressure Vessels Safety Fund, that after July 1, 2003 would receive all monies generated from inspections, permitting, licensing, and certification fees. These fees currently go into the State’s General Revenue Fund. Monies in the fund would only be used for expenses of the Board. A political subdivision which performs the inspections, etc. would be paid the fee directly. Any fee established by the Boiler and Pressure Vessel Safety Board for certification would be paid to the Board.

DESCRIPTION (continued)

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 Revenue
University City
City of Kirkwood
City of Brentwood
Creve Coeur Police Department
City of Bridgeton Police Department
Le May Fire Protection District
University City Police Department
Director of Administration- St. Louis County



Mickey Wilson, CPA
Acting Director
May 31, 2002