

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2928-02
Bill No.: HB 1072
Subject: Boats and Watercraft;; Property, Real and Personal; Water Resources and Water Districts
Type: Original
Date: February 18, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation, Department of Economic Development** and **Department of Revenue** assume the proposed legislation will not fiscally impact their organization.

In a similar proposal officials from the **Secretary of State's Office** assume this proposal modifies procedures for protection of shipwreck sites. The Department of Natural Resources could promulgate rules to enact this proposal. Based on experience with other division, the rules, regulations, and forms issued by the Department of Natural Resources could require as many as 6 pages in the Code of State Regulations and half again as many pages in the Missouri Register because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code is \$27. The actual costs could be more or less than the numbers given. [(6x\$27)+(9x\$23)=\$369]

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 decision to raise fees to defray costs would likely be made in subsequent fiscal years.

ASSUMPTION (continued)

Officials from the **Department of Natural Resources (DNR)** assume this proposal introduces a tiered system of permits for research, exploration and salvage. The department does not anticipate any need for increased staffing or E&E due to this proposal.

While it is estimated that there are over 600 shipwrecks in Missouri's waterways, in reality, the anticipated volume of any activity involving shipwrecks in a given year is likely to remain relatively low.

It is unknown what effect the proposed tiered system of permit fees would have on the revenue stream generated from shipwreck permits.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses which are salvage companies could be affected by this proposal.

DESCRIPTION

Under current law, a person who wishes to salvage a submerged shipwreck must obtain a permit from the Department of Natural Resources and pay a permit fee. The applicant must also provide the department with a plan for excavation and have a professional archaeologist on staff. This bill prohibits the department from issuing the permit without a detailed excavation, conservation, and preservation plan and proof that the applicant has adequate funding for the salvage. The bill also

DESCRIPTION (continued)

requires the applicant to be or hire a professional maritime archaeologist. If the applicant does not fulfill all tasks in the scope of work related to the shipwreck, all items and data regarding the shipwreck are forfeited to the state. The state may not limit visitation to a shipwreck unless there are certain apparent threats. The current permit fee is increased from \$100 to \$500.

The bill also requires persons who wish to salvage a submerged embedded abandoned shipwreck to positively identify the shipwreck. The person must apply for an exploratory permit from the department. The department must comment on any application within 60 days. The applicant must pay a \$1,500 application fee to the Director of Revenue for the exploratory permit. The permit allows the applicant to search for and identify the precise location of the individual shipwreck. The applicant will have one year to demonstrate that the specific shipwreck has been located.

The bill also outlines a process for professional maritime archaeologist to obtain a permit for research and training. This permit fee is \$100. The bill sets the conditions of the permit. If a shipwreck has been previously, positively identified and located, an exploratory permit is not necessary; and the applicant may apply for a salvage permit. The bill also outlines conditions for ongoing professional archaeological research and restrictions on shipwrecks located in state parks and historic sites.

The bill defines "embedded," "historic shipwreck materials," "land beneath navigable waters," "national register," "professional maritime archaeologist," "shipwreck," and "visitation."

Persons who knowingly take historic shipwreck materials from state navigable waters or vandalize a shipwreck are guilty of a class A misdemeanor for the first offense and a class D felony for the second or subsequent offenses.

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 Natural Resources
Secretary of State's Office
Department of Revenue
Department of Transportation
Department of Economic Development



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