

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5451-06
Bill No.: Perfected HCS for HB 1458
Subject: Fire Protection; Political Subdivisions; Boards, Commissions, Committees, Councils
Type: Original
Date: April 11, 2012

Bill Summary: This proposal changes various provisions regarding fire protection and emergency services.

FISCAL SUMMARY

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

* Offsetting income and expense to the Department of Revenue

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Fire Education	\$108,033	\$129,640	\$129,640
Total Estimated Net Effect on <u>Other</u> State Funds	\$108,033	\$129,640	\$129,640

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	3	3	3
Total Estimated Net Effect on FTE	3	3	3

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	(\$108,033)	(\$129,640)	(\$129,640)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Budget and Planning (BAP)** state the Division of Fire Safety is currently allowed to charge a fee for certification testing or recertification, with the fees to be deposited to General Revenue. Although no fees are currently being charged by the division, this proposal would direct those fees to the Fire Education Fund instead of the General Revenue Fund. There would be no impact to total state revenue. BAP defers to the Division of Fire Safety on the impact to the Fire Education Fund.

Officials from the **Department of Public Safety - Division of Fire Safety (DPS)** state they currently administer the Training and Certification program mentioned in 320.202 (5). This legislation would direct fees collected from certification testing and recertification to the Fire Education fund established in 320.094. Currently, the Division of Fire Safety does NOT charge for this service.

DPS states they have administered a voluntary training and certification program since the mid-1980's. Legislation in recent years allowed the Division to promulgate rules to allow for a fee structure to be implemented for certification testing and recertification; however, the Division had not yet began that process. Section 320.202 would direct the fees collected from certification testing and recertification to be deposited into the Fire Education Fund (0821) as established in 320.094. Fees collected via the Division of Fire Safety's Fireworks Licensing program are also deposited into this fund, which is used primarily to provide no cost training to Missouri's fire service through contract with various fire training vendors in our state.

Based on the number of certification tests and re-certifications the Division currently processes annually, the Division estimates this proposal would generate approximately \$129,640 annually for the Fire Education Fund. According to statute, the Division of Fire Safety is allowed up to 2% of the fund for administrative purposes. It is estimated 2% of the fees from this proposal to be \$2,592. The remaining funds of \$127,047 would be contracted to provide approximately 88 additional training classes for an estimated 2,650 fire fighters of our state.

The Division of Fire Safety currently processes approximately 5,600 tests and certifications annually, as well as an estimated 900 re-certifications. The Division would propose a fee of \$25 per certification exam and re-tests, and \$15 per re-certification. Additionally, the Division would propose a fee of \$25 per certification reciprocity and \$100 per certification equivalency application. Using current figures, the Division would generate \$144,045; however, because this is a voluntary system, and the majority of the Division's certified personnel are volunteer fire fighters who may not apply for certification due to this fee structure, the Division does anticipate

ASSUMPTION (continued)

a slight decline in certifications and re-certifications issued. For purposes of this fiscal note, the Division projected a 10% decline in applicants, resulting in a total of roughly \$129,640 in fees collected.

Comparatively, the states surrounding Missouri currently charge the following:

- Iowa: \$50 per certification exam, \$25 per re-certification;
- Nebraska: \$50 per certification exam, \$25 to re-test, \$25 for equivalency, \$15 for reciprocity;
- Kansas: Certification fees range from \$30-\$80 for in-state residents; double fees for out-state;
- Arkansas: Certification fees included in costs of tuition;
- Oklahoma: \$15 per certificate;
- Kentucky: \$15 per certification exam.

Officials from the **Office of the Secretary of State (SOS)** assume 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 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 \$2,500. The SOS 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 **Office of the State Treasurer** and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of inappropriately installing anemometer - a new class C misdemeanor.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

ASSUMPTION (continued)

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Office of Prosecution Services** assume the proposal will have no measurable fiscal impact on their office. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine.

In response to a previous version of this proposal, officials from the **Battlefield Fire Protection District** stated progressive departments and volunteer departments will be penalized for certifying their people. There would be additional cost for them to certify firefighters.

Officials from the **Centralia Fire Department, DeSoto Rural Fire Protection District, Hawk Point Fire Protection District, and Hillsboro Fire Protection District** did not respond to our request for fiscal impact.

Since fees for the certification testing and recertification testing are currently not being collected by the Division of Fire Safety, **Oversight** will not reflect a loss to the General Revenue Fund.

Oversight will utilize DFS' revenue estimate. Oversight will assume the fees collected by DFS resulting from this proposal will represent a correlating cost to the local political subdivisions. Oversight assumes the training is voluntary to fire departments and fire districts.

House Amendment 1 - exempts certain fire protection district directors from vacating their office when gaining lucrative office or employment:

Oversight assumes this amendment would not fiscally impact local political subdivisions.

House Amendment 2 - residential construction regulatory system:

In response to a similar proposal from this year (HB 2101), officials from the **Department of Public Safety - Division of Fire Safety** and the **St. Louis County Government** each assumed the proposal would not fiscally impact their respective agencies.

House Amendment 3 - requires any company that installs, inspects, or services fire extinguishing equipment to file a surety bond with the Division of Fire Safety:

Oversight assumes this amendment would not fiscally impact the Department of Public Safety -

ASSUMPTION (continued)

Division of Fire Safety.

House Amendment 4 - change to person authorized to withdraw blood for BAC test.

Oversight assumes this amendment would not fiscally impact the state or local political subdivisions.

House Amendment 5 - regulation of fireworks:

In response to a similar proposal from this year (HB 1883), officials from the **Department of Public Safety - Division of Fire Safety** stated they currently administer the Fireworks Licensing and Enforcement program. This legislation clarifies language in regards to the classification of fireworks in order to be consistent with the U.S. Department of Transportation and the American Pyrotechnics Association. There is no cost associated with these changes.

In response to a similar proposal from this year (HB 1883), officials from the **Attorney General's Office** assumed any potential costs arising from this proposal can be absorbed with existing resources.

In response to a similar proposal from this year (HB 1883), officials from the **Office of Prosecution Services, Office of the State Public Defender, Department of Transportation, Office of the State Courts Administrator,** and the **Department of Corrections** each assumed the proposal would not fiscally impact their respective agencies.

House Amendment 6 - 911 Advisory Board:

Oversight assumes the amendment may result in a minimal savings to the Department of Public Safety from the reduction of the Advisory Committee for 911 Service Oversight (now the 911 Service Oversight Board) from 16 to 7 members.

Officials from the **Department of Public Safety** state the Wireless Service Provider Enhanced 911 Service fee was put before the voters twice, and failed both times. Therefore, the deletion of Sections 190.400 - 190.440 would not have a fiscal impact to the state.

House Amendment 7 - Missouri Yellow Dot Program:

Officials from the **Department of Revenue (DOR)** state they would incur the following

ASSUMPTION (continued)

administrative impact from this amendment:

Motor Vehicle Bureau - the state of Alabama is currently phasing in their "Yellow Dot" program. Information provided by Alabama identified they were 50 to 60 percent complete with their phase-in and have approximately 50,000 participants. In order to correlate their numbers into projected participants in Missouri, the Department compared their participants to the total number of registered vehicles in Alabama, getting 2.2%. The Department took 2.2% times the total applicable vehicles registered in Missouri and got 130,000 possible participants.

Individuals who have questions or are seeking assistance with the Yellow Dot Program may send an electronic inquiry to the Department requesting assistance. These individuals may also call or write in. The Department assumes 25% of the possible applicants will contact the Department annually requesting the materials or asking questions. This will result in 32,500 inquiries a year. The Department will need three additional FTE (Revenue Processing Tech I) to support the increased workload.

Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182 in FY 13.

The Department's web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY 13.

Stickers, Yellow Envelopes, and Health Information Cards

These costs are based on 130,000 possible participants. The amount produced and distributed in FY13 is increased by 10% (13,000) to ensure adequate materials are in stock in all license offices.

- The minimum cost for a window sticker is estimated at \$.46 per sticker. ($143,000 \times .46 = 65,780/12 \times 10 = \$54,817$);
- The cost for the yellow envelopes will be approximately \$28.10 per thousand or .0281 per envelope. ($143,000 \times .0281 = 4,018/12 \times 10 = \$4,503$);
- The cost for the health information card will be approximately \$37.79 per thousand or .03779 per card. ($143,000 \times .03779 = 5,404/12 \times 10 = \$3,349$)

Due to requests for replacements and new applicants, the Department assumes 10% of the participants (13,000) will request new or replacement materials (sticker, envelope and card) in FY14 and FY15.

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ASSUMPTION (continued)

Total estimated cost for stickers, yellow envelopes, and health information cards by fiscal year is shown below:

	FY13(10 Months)	FY14	FY15
General Revenue Fund	\$62,669	\$6,836	\$6,836

Postage - the Department must supply all license offices with the materials for the Yellow Dot Program. It is assumed 90 percent of the participants will obtain their program materials at a license office. This means 117,000 participants will go to any of the 183 license offices. In order to stock the offices, the supplies must be shipped by UPS. This will cost approximately \$4.50 per pound. The approximate wait per package will be 15 pounds. The cost to ship the materials to the license offices will be approximately \$67.50 per office. (183 x \$67.50 = \$12,352)

	FY13	FY14	FY15
General Revenue Fund	\$12,352	\$1,235	\$1,235

Informational Packets - the Department will produce an information document that will be provided to interested applicants. The document will provide an applicant with the Department's contact information, instructions for completing the health information card, and other program guidelines. The Department will produce 200,000 informational packets at a total cost of \$4,792.

In summary, DOR assumes a cost of \$157,454 in FY 2013, \$84,211 in FY 2014 and \$84,211 in FY 2015.

Officials from the **Jefferson City Police Department** state the legislation does not have a fiscal impact on local law enforcement. It does, however, give road officers and other first responders one more level of information when the operator of a vehicle is unable to respond to the first responder's inquiries during an emergency.

Oversight assumes the Department of Revenue would charge all participants in the program a fee to cover the cost to administer. Oversight also 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 revising the procedures and updating the department's web site within this amendment.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Income</u> - DOR - allowed to charge for participation in the yellow dot program a fee to cover the administration costs of the program	\$155,953	\$84,211	\$84,211
<u>Costs</u> - DOR - to administer the yellow dot program			
Personal Service (3 FTE)	(\$76,140)	(\$76,140)	(\$76,140)
Stickers, envelopes and cards	(\$62,669)	(\$6,836)	(\$6,836)
Postage	(\$12,352)	(\$1,235)	(\$1,235)
Information packets	(\$4,792)	\$0	\$0
Total Costs - DOR	<u>(\$155,953)</u>	<u>(\$84,211)</u>	<u>(\$84,211)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated net FTE Change for General Revenue	3 FTE	3 FTE	3 FTE
FIRE EDUCATION FUND			
<u>Income</u> - voluntary training certification testing fee and recertification fee	<u>\$108,033</u>	<u>\$129,640</u>	<u>\$129,640</u>
ESTIMATED NET EFFECT TO THE FIRE EDUCATION FUND	<u>\$108,033</u>	<u>\$129,640</u>	<u>\$129,640</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL POLITICAL SUBDIVISIONS			
<u>Costs - to Fire Departments, Fire Protection Districts, etc. for voluntary training and certification program</u>	<u>(\$108,033)</u>	<u>(\$129,640)</u>	<u>(\$129,640)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>(\$108,033)</u>	<u>(\$129,640)</u>	<u>(\$129,640)</u>

FISCAL IMPACT - Small Business

Small businesses that have an anemometer tower over fifty feet in height must mark, paint or flag the tower to be recognizable during daylight hours.

FISCAL DESCRIPTION

Currently, the Division of Fire Safety, within the Department of Public Safety, and the State Fire Marshal are responsible for establishing and maintaining a voluntary training and certification program. A certification testing and recertification fee for the program could be collected and deposited into the General Revenue Fund. This bill requires the fee to be deposited into the Fire Education Fund established in Section 320.094, RSMo.

House Amendment 7 establishes the Missouri Yellow Dot Program within the Department of Revenue.

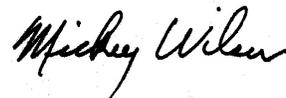
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Office of the State Treasurer
Office of Administration - Budget and Planning
Office of the Secretary of State
Office of Prosecution Services
Office of the State Public Defender
Office of the State Courts Administrator
Department of Revenue
Jefferson City Police Department
Springfield Police Department
St. Louis County
Battlefield Fire Protection District

NOT RESPONDING:

Centralia Fire Department
DeSoto Rural Fire Protection District
Hawk Point Fire Protection District
Hillsboro Fire Protection District



Mickey Wilson, CPA
Director
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