

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1650-02
Bill No.: HB 653
Subject: Emergencies; Counties; Fees
Type: Original
Date: March 6, 2013

Bill Summary: This proposal would enact provisions regarding funding for emergency communications services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$119,669) to Unknown	Unknown	Unknown
Total Estimated Net Effect on General Revenue Fund	(\$119,669) to Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Missouri 911 Service *	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds *	\$0	\$0	\$0

* offsetting revenues and transfers out. This fund would be renamed from current "Wireless Service Provider Enhanced 911 Service Fund"

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

- 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 2014	FY 2015	FY 2016
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 190.134, 190.450, and 190.451, RSMo. - Emergency Dispatch Services

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 Secretary of State's Office 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 **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Department of Revenue (DOR)** assume this proposal would rename the Wireless Service Provider Enhanced 911 Service Fund to the Missouri 911 Service Fund.

DOR officials assume the proposal would allow local governments to impose a monthly fee on any device capable of contacting 911. Revenue authorized in the proposal would be deposited into the Missouri 911 Service Fund except for 1% which would be deposited to the General Revenue Fund.

Fiscal impact

DOR officials did not provide an estimate of the fiscal impact of this proposal.

ASSUMPTION (continued)

Administrative impact

DOR officials noted that Section 190.450 would create a new fee that the Department would collect. This would require new reporting forms, and a new program to track collections by counties and distribute the revenue on a monthly basis. In addition, all parties responsible for remittance of the fee would need to be identified in order to provide information whenever a county enacts the fee.

Section 190.451 would create another new fee that the Department would administer. It would be based on a percentage of retail transaction. This would require new reporting forms, and a new program to track and distribute receipts based on the way local sales taxes are currently administered. In addition, all the parties responsible for remittance of the fee would need to be identified in order to provide information.

The Department would need to create new forms and make form changes, and the Department and OA - ITSD (DOR) would need to make programming changes to various tax systems.

DOR officials did not provide an estimate of the administrative cost to prepare new forms, and to identify and notify all the organizations that would be required to collect the new fees created in the proposal.

Oversight assumes those costs could be absorbed with existing resources.

IT impact

DOR officials provided an estimate of the IT cost to implement this proposal of \$119,669 based on 4,424 hours of programming to make changes to DOR systems.

Oversight will use the DOR estimate of IT cost and assume the programming would be needed before the program could become effective in August 2013 (FY 2014).

Officials from **Franklin County** assume this proposal could create an additional cost for certain public safety agencies which operate dispatching services, if additional training was required for their dispatchers. Franklin County officials noted the proposal would extend a dispatch fee over a larger number of communications services and assume the proposal would provide adequate funding for dispatch operations.

ASSUMPTION (continued)

Officials from the **City of Columbia** stated there would be little to no fiscal impact for their organization.

Officials from the **City of Jefferson City** noted that the proposal would not have a negative fiscal impact from the proposal but would expect a positive impact due to the creation of funds in the proposal.

Officials from the **City of St. Louis (City)** stated they were uncertain as to the impact of this proposal on their organization. City officials noted the city has an ECC sales tax which could be considered a tax for 911 funding purposes. If the proposal was enacted and the proposition was approved by the voters, the proposed fee would be in lieu of the current 911 tax.

Officials from the **Office of the State Treasurer**, the **Department of Economic Development - Public Service Commission** and **Office of Public Counsel**, the **City of Kansas City**, and the **Boone County Sheriff's Department**, each assume the proposal would not fiscally impact their respective agencies.

Oversight comments

Oversight notes that Section 190.134 of this proposal would require certain emergency services dispatch personnel to be certified, and assumes there could be an unknown cost to local governments if existing staff are not currently certified. Oversight will include unknown costs to local governments in this fiscal note.

Oversight also notes Section 190.450 of this proposal would allow local governments to submit a proposition to the voters authorizing a charge on any instrument capable of contacting 911, in lieu of a property tax levy or sales tax. A local government would have election costs due to the decision by the governing body to submit that proposition to the voters. In this fiscal note, Oversight will include election costs in a range from \$0 (no local government elections) to Unknown (one or more local governments hold an election). Oversight will also include additional revenues in a range from \$0 (no local government elections) to Unknown (one or more local governments hold an election) to the (renamed) Missouri 911 Service Fund, which would then be transferred to those local governments which have approved ballot issues. Further, Oversight will assume that increased local government revenues would exceed election costs for those local governments in which the proposition is submitted to the voters.

ASSUMPTION (continued)

Finally, **Oversight** notes that Section 190.451 of this proposal would create a statewide tax on prepaid wireless communication services, as defined in the proposal, to provide funding for 911 services. Oversight assumes this provision would extend a fee, or tax, over a broader range of telecommunications services than is currently the case. Accordingly, Oversight will include an unknown increase in revenue in the (renamed) Missouri 911 Service Fund for the additional revenue. The additional revenue would then be allocated and transferred to local governments. Oversight assumes this proposal could become effective as early as August, 2013 (FY 2014).

Oversight will include unknown additional revenue for the General Revenue Fund for the 1% collection charge which would apply to Sections 190.450 and 190.451.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Additional Revenue - DOR</u>			
Collection fee			
Sections 190.450 and 190.451	Unknown	Unknown	Unknown
<u>Cost - DOR</u>			
Computer programming			
Sections 190.450 and 190.451	(<u>\$119,669</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(\$119,669) to <u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2014 (10 Mo.)	FY 2015	FY 2016
MISSOURI 911 SERVICE FUND *			
<u>Additional Revenue</u> - DOR Section 190.450	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Additional Revenue</u> - DOR Section 190.451	Unknown	Unknown	Unknown
<u>Transfers out</u> - Local Governments Section 190.450	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
<u>Transfers out</u> - Local Governments Section 190.451	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON MISSOURI 911 SERVICE FUND *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
* Renamed from "Wireless Service Provider Enhanced 911 Service Fund"			

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL GOVERNMENTS			
<u>Transfers in</u> - Missouri 911 Service Fund Section 190.451	Unknown	Unknown	Unknown
<u>Transfers in</u> - Missouri 911 Service Fund Section 190.450	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> - Local Governments Elections Section 190.450	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost</u> - Local Governments Training and compliance Section 190.134	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT - Small Business

This proposal could have a fiscal impact to small businesses involved in emergency communications services.

FISCAL DESCRIPTION

This proposal would enact provisions regarding funding for emergency communications services.

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

Office of the Secretary of State
Office of the State Treasurer
Joint Committee on Administrative Rules
Department of Economic Development
 Public Service Commission
 Office of Public Counsel
Department of Public Safety
Department of Revenue
Franklin County
City of Columbia
City of Jefferson City
City of Kansas City
City of St. Louis
Boone County Sheriff's Department



Ross Strope
Acting Director
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