

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2749-02
BILL NO.: SB 787
SUBJECT: Ambulance and Ambulance Districts; Fire Protection; Insurance Department
TYPE: Original
DATE: January 29, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$2,145,788)	(\$2,145,788)	(\$2,145,788)
Ambulance District*	\$0	\$0	\$0
Ambulance District Trust*	\$0	\$0	\$0
Fire Education*	\$0	\$0	\$0
Fire Education Trust*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds*	(\$2,145,788)	(\$2,145,788)	(\$2,145,788)

***SUBJECT TO APPROPRIATION.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government*	\$2,142,088	\$2,142,088	\$2,142,088

***SUBJECT TO APPROPRIATION.**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** and the **Department of Insurance** assume this proposal would not fiscally impact their agencies.

Department of Health (DOH) officials state the proposal would establish the Missouri Ambulance District Commission. The commission would be composed of five members that would be domiciled in DOH. It would meet at least quarterly and members would be reimbursed for their travel and other expenses incurred in the performance of their official duties. DOH estimates this would cost at minimum of \$3,700 per year (5 members x \$185 per member per meeting x 4 meetings per year) from the General Revenue Fund.

Oversight assumes the commission expenses would be charged to the Ambulance District fund. **Oversight** assumes that based on premium taxes collected in FY98 by the Department of Insurance, the Ambulance District Fund would receive \$1,072,894. Of this amount, 40% would be transferred to the Ambulance District Trust Fund (\$429,158).

Oversight assumes disbursements from the fund would be subject to appropriation.

Officials from the **Department of Public Safety - Office of State Fire Marshall (SFM)** state the according to the Department of Insurance, \$143,124,526 was collected in premium taxes in FY98. SFM states that half of this amount is transferred to the General Revenue Fund (\$71,526,263). SFM assumes the Fire Education Commission would receive 1.5% of the General Revenue Fund Transfer (\$1,072,894). Of this amount, 40% would be transferred to the Fire Education Trust Fund (\$429,158). **Oversight** assumes disbursements from either of the funds would be subject to appropriation.

This proposal would result in a decrease in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Transfers out - Premium Taxes</u>			
Ambulance District Fund	(\$1,072,894)	(\$1,072,894)	(\$1,072,894)
Fire Education Fund	(\$1,072,894)	(\$1,072,894)	(\$1,072,894)
Total <u>Transfers Out - Premium Taxes</u>	<u>(\$2,145,788)</u>	<u>(\$2,145,788)</u>	<u>(\$2,145,788)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$2,145,788)</u>	<u>(\$2,145,788)</u>	<u>(\$2,145,788)</u>
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AMBULANCE DISTRICT FUND

<u>Transfers In - General Revenue Fund</u>			
Premium taxes	\$1,072,894	\$1,072,894	\$1,072,894

<u>Transfer Out - Ambulance District Fund</u>			
Ambulance District Trust Fund	(\$429,158)	(\$429,158)	(\$429,158)

<u>Costs - Missouri Ambulance District Commission</u>			
Distributions to local ambulance districts*	(\$640,036)	(\$640,036)	(\$640,036)

<u>Costs - Department of Health</u>			
Missouri Ambulance District Commission*	(\$3,700)	(\$3,700)	(\$3,700)

ESTIMATED NET EFFECT ON AMBULANCE DISTRICT FUND*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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***Subject to appropriation.**

**AMBULANCE DISTRICT TRUST
FUND**

<u>Transfers In - Ambulance District Fund</u>			
Premium taxes	\$429,158	\$429,158	\$429,158

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>Costs - Missouri Ambulance District Commission</u>			
Distributions to local ambulance districts*	(\$429,158)	(\$429,158)	(\$429,158)
ESTIMATED NET EFFECT ON AMBULANCE DISTRICT TRUST FUND*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***Subject to appropriation.**

FIRE EDUCATION FUND

<u>Transfers in - General Revenue Fund</u>			
Premium taxes	\$1,072,894	\$1,072,894	\$1,072,894
<u>Transfers out - Fire Education Fund</u>			
Fire Education Trust Fund	(\$429,158)	(\$429,158)	(\$429,158)
<u>Costs - Missouri Fire Education Commission</u>			
Distributions local fire departments*	(\$643,736)	(\$643,736)	(\$643,736)
ESTIMATED NET EFFECT ON FIRE EDUCATION FUND*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***Subject to appropriation.**

FIRE EDUCATION TRUST FUND

<u>Transfer In - Fire Education Fund</u>			
Premium taxes	\$429,158	\$429,158	\$429,158
<u>Costs - Missouri Fire Education Commission</u>			
Distributions to local fire departments*	(\$429,158)	(\$429,158)	(\$429,158)

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
ESTIMATED NET EFFECT ON FIRE EDUCATION TRUST FUND*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***Subject to appropriation.**

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
LOCAL AMBULANCE DISTRICTS			
<u>Income - Missouri Ambulance Districts Commission</u>			
Distributions*	<u>\$1,069,194</u>	<u>\$1,069,194</u>	<u>\$1,069,194</u>
ESTIMATED NET EFFECT ON LOCAL AMBULANCE DISTRICTS*	<u>\$1,069,194</u>	<u>\$1,069,194</u>	<u>\$1,069,194</u>

***Subject to appropriation.**

LOCAL FIRE DEPARTMENTS

<u>Income - Missouri Fire Education Commission</u>			
Distributions	<u>\$1,072,894</u>	<u>\$1,072,894</u>	<u>\$1,072,894</u>
ESTIMATED NET EFFECT ON LOCAL FIRE DEPARTMENTS*	<u>\$1,072,894</u>	<u>\$1,072,894</u>	<u>\$1,072,894</u>

***Subject to appropriation.**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

MPW:LR:OD:005 (9-94)

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This proposal would transfer 1-1/2 percent of the premium taxes collected from insurance companies to the Ambulance District Fund. The amount placed in the fund could not exceed \$1,500,000 in each fiscal year. This proposal would establish the Missouri Ambulance District Trust Fund whereby 40 percent of the Ambulance District Fund is set aside for investment purposes. Moneys in the Ambulance District Fund would be used to provide ambulance attendant training, equipment and to defray operational costs of each district. This proposal would also create the Missouri Ambulance District Commission to approve expenditures from the fund. This proposal would also credit 1-1/2 percent of the premium taxes levied on insurance companies to the Fire Education Fund. Currently, three percent of the amount collected which exceeds the premium taxes deposited in 1997 are credited to the Fund.

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 State Treasurer
Department of Health
Department of Insurance
Department of Public Safety
Office of the State Fire Marshall

NOT RESPONDING: Ste. Genevieve County Memorial Hospital, Newton County Ambulance District, St. Charles County Ambulance District, Vallee Ambulance District, Mid-Mo Ambulance District, Stoddard County Ambulance District, Taney County Ambulance District



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Director
January 29, 2000