

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 3442-03
BILL NO. Perfected HCS for HB 1434
SUBJECT: Entertainment; Liability; Public Safety
TYPE: Original
DATE: April 4, 2000

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|-----------------|----------------|----------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| General Revenue Fund | \$14,906 | \$6,741 | \$5,823 |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | \$14,906 | \$6,741 | \$5,823 |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| None | \$0 | \$0 | \$0 |
| | | | |
| 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 | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and the **Department of Insurance** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Public Safety - Division of Fire Safety (FS)** assume their agency would be responsible for investigating amusement ride accidents that require individuals to seek immediate medical treatment or result in a fatality. In addition, FS would issue permits annually for amusement rides that operate in the state of Missouri and are deemed safe by an insurance inspector.

FS further assumes there are approximately 40 vendors that operate amusement rides within the state of Missouri. FS estimates that each vendor owns 50 rides that would need an inspection and permit. FS would charge \$15 per permit to cover costs. Estimated total permit fees collected into general revenue would be \$30,000 annually. FS would request 1 FTE – Clerk Typist II.

Amusement ride vendors – FS estimates that there are 60 amusement ride accidents per year that would require an investigation. The owner of an amusement ride would be responsible for any cost involved with such investigation. An independent amusement ride investigator charges approximately \$200 per hour (this includes expenses) and it is estimated that it would take 24 hours to complete the investigation.

FS noted that this legislation calls for a nine-member board that will meet at least three times a year and is housed within their division. FS may ask for expense and equipment appropriations to support the functions of the board.

| <u>FISCAL IMPACT - State Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
|---|---------------------|----------|----------|
| GENERAL REVENUE FUND | | | |
| <u>Income</u> - Division of Fire Safety | | | |
| Permit fees | \$30,000 | \$30,000 | \$30,000 |

L.R. NO. 3442-03
 BILL NO. Perfected HCS for HB 1434
 PAGE 3 OF 4
 April 4, 2000

| <u>FISCAL IMPACT - State Government</u> | FY 2001 | FY 2002 | FY 2003 |
|---|------------------|----------------|----------------|
| (continued) | (10 Mo.) | | |
| <u>Costs - Division of Fire Safety</u> | | | |
| Salaries | (\$8,424) | (\$17,521) | (\$18,223) |
| Fringe benefits | (\$2,590) | (\$5,388) | (\$5,604) |
| Equipment and expense | <u>(\$4,080)</u> | <u>(\$350)</u> | <u>(\$350)</u> |
| Total costs | (\$15,094) | (\$23,259) | (\$24,177) |

| | | | |
|---|------------------------|-----------------------|-----------------------|
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | <u>\$14,906</u> | <u>\$6,741</u> | <u>\$5,823</u> |
|---|------------------------|-----------------------|-----------------------|

| <u>FISCAL IMPACT - Local Government</u> | FY 2001 | FY 2002 | FY 2003 |
|---|----------|---------|---------|
| | (10 Mo.) | | |
| | \$0 | \$0 | \$0 |

FISCAL IMPACT - Small Business

This proposal could impact amusement ride vendors.

DESCRIPTION

The proposed legislation makes several changes to amusement ride regulations.

In the case of a fatality or serious physical injury, the owner of the ride will immediately give notice of the accident to local law enforcement agencies and local fire service agencies, if necessary. Current law requires the owner to send an accident report to the Director of the Department of Public Safety by mail or fax within 24 hours. The proposal also allows the director's designee to inspect the amusement ride on which the accident occurred. Currently, the law requires a qualified inspector to make such an inspection.

L.R. NO. 3442-03
BILL NO. Perfected HCS for HB 1434
PAGE 4 OF 4
April 4, 2000

DESCRIPTION (continued)

The proposal requires a person operating an amusement ride to:

- (1) Have the ride inspected at least once annually by a qualified inspector and obtain written documentation that the inspection was made, that the ride meets the standards for coverage, and that it is covered by an insurance policy in an amount of at least \$1 million per occurrence;
- (2) File with the department the inspection documentation and the insurance policy; and
- (3) Obtain from the department a state-operating permit and affix the permit to the ride. The cost of the permit will not exceed actual administrative costs. All fees collected for permits will be deposited in the General Revenue Fund.

The substitute also establishes the "Amusement Ride Safety Board". This board shall be composed of nine members.

This proposal has an effective date of January 1, 2001.

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 - Division of Fire Safety
Department of Revenue
Department of Insurance



Jeanne Jarrett, CPA
Director
April 4, 2000

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