

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 4081-01  
BILL NO. HB 1708  
SUBJECT: Fire Protection: State Treasurer  
TYPE: Original  
DATE: February 13, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$147,000)	(\$148,190)	(\$148,190)
Fire Education	\$0	\$0	\$0
Fire Education Trust	\$0 to \$58,800	\$0 to \$59,190	\$0 to \$59,190
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>( \$118,200 to \$147,000)</b>	<b>( \$89,000 to \$148,190)</b>	<b>( \$89,000 to \$148,190)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Department of Revenue, Office of the State Treasurer** and the **University of Missouri** stated the proposal would not affect their agencies, administratively.

Officials from the **Department of Public Safety - Division of Fire Safety (DFS)** assume the Fire Education Fund and the Fire Education Trust Fund are administered by the Fire Education Commission. The Commission contracts with the University of Missouri Fire and Rescue Training Institute for regional, cost-free training for the fire service. According to the Department of Insurance, \$143,124,526 was collected in premium taxes in FY 1998. Only half of which is transferred to general revenue (\$71,526,263). The Fire Education Commission would receive two tenths of one percent (\$143,125) - 60% (\$85,875) is transferred to the Fire Education Fund and 40% (\$57,250) is transferred to the Fire Education Trust Fund.

The **Governor's Budget** for FY 2001 shows General Revenue Insurance Tax receipts of \$145,801,930 in FY 1999 and estimates receipts of \$147,000,000 for FY 2000 and \$148,190,000 for FY 2001. One-half of these collections are retained by the General Revenue Fund. This proposal would allow transfers to the Fire Education Trust Fund of approximately \$147,000 in FY 2001 and \$148,190 in FY 2002. Oversight assumes receipts would remain constant at \$148,190,000 per year, subsequently.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
<b>FIRE EDUCATION FUND</b>			
<u>Income</u> - Transfers from General Revenue	\$147,000	\$148,190	\$148,190
<u>Cost</u> - Transfers to Fire Education Trust Fund	(\$ 58,800)	(\$ 59,276)	(\$ 59,276)
<u>Cost</u> - Distribution to University of Missouri Fire and Rescue Training Institute	(\$ 88,200)	(\$ 88,914)	(\$ 88,914)
<b>NET EFFECT ON FIRE EDUCATION FUND</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FISCAL IMPACT - State Government                      FY 2001              FY 2002              FY 2003

**GENERAL REVENUE FUND**

Cost - Transfers to Fire Education Fund              (\$147,000)              (\$148,190)              (\$148,190)

**NET EFFECT ON GENERAL REVENUE FUND**                      **(\$147,000)**              **(\$148,190)**              **(\$148,190)**

**FIRE EDUCATION TRUST FUND**

Income - Transfers from Fire Education Fund              \$58,000              \$59,276              \$59,276

Cost - Appropriations for Fire Education Programs                      (\$0 to (\$ 58,800)                      (\$0 to (\$ 59,276)                      (\$0 to (\$ 59,276)

**NET EFFECT ON FIRE EDUCATION TRUST FUND**                      **\$0 to \$58,800**                      **\$0 to \$59,276**                      **\$0 to \$59,276**

FISCAL IMPACT - Local Government                      FY 2001              FY 2002              FY 2003

0                      0                      0

FISCAL IMPACT - Small Business

No direct fiscal effect on small businesses would be expected due to this proposal.

L.R. NO. 4081-01  
BILL NO. HB 1708  
PAGE 4 OF 4  
February 13, 2000

DESCRIPTION

Under current law, the Fire Education Fund annually receives an amount equal to 3% of the increase in premium taxes collected from insurance companies during the preceding fiscal year and premium taxes collected from insurance companies during fiscal year 1997. The fund may not receive more than \$1.5 million from these taxes in any fiscal year. This proposal reduces the Fire Education tax to two-tenths of 1% of the amount of premium taxes collected in the preceding fiscal year. The proposal contains an emergency clause.

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

SOURCES OF INFORMATION

Department of Insurance  
Department of Public Safety  
Department of Revenue  
Office of State Treasurer  
University of Missouri



Jeanne Jarrett, CPA  
Director  
February 13, 2000