

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0852-04
Bill No.: HCS for HB 280, 69, 497, and 689
Subject: Ambulances and Ambulance Districts; Emergencies; Health Care; Health Department
Type: Original
Date: March 26, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue*	(\$437,767)	(\$409,801)	(\$410,595)
Fire Education	\$0	\$0	\$0
Fire District Equipment	\$0	\$0	\$0
Missouri Fire Education Trust	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$437,767)	(\$409,801)	(\$410,595)

***Does not include unknown revenue for collection fees and unknown appropriations of grant funds.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0 TO UNKNOWN	\$0 TO UNKNOWN	\$0 TO UNKNOWN

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 12 pages.

FISCAL ANALYSIS

ASSUMPTION

House Bill 280

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

Officials from the **Office of Secretary of State (SOS)** state this proposal requires the Department of Health to promulgate rules to implement new ambulance regulations. SOS states that based on experience with other divisions, the rules, regulations, and forms issued by the Attorney General could require as many as 24 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register in the Code because cost statements, fiscal notes, and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The fiscal impact of this proposal in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from **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** did not respond to our fiscal impact request.

House Bill 69

Officials from the **Department of Public Safety, Division of Fire Safety (DFS)** stated that there

are 899 fire departments registered with their division. It is not known how many of these ASSUMPTION (continued)

districts and departments receive less than \$10,000 in tax revenues or how many are wholly or partially supported by membership or a subscriber fee system. This would be a matching grant process; 25% local funds, 75% general revenue state funds. The DFS would create and process the grant applications.

The DFS assumes that the Fire Safety Advisory Board, which is housed in the Division, would review and approve (or disapprove) grant applications submitted by fire departments. The Division does not see a need for additional FTEs, however, the overall fiscal impact is unknown since there is not a dollar figure or formula specified within the legislation.

Officials from the **Office of Administration - Budget and Planning (BAP)** state this proposal should not result in additional costs or savings to the Office of Administration.

Oversight assumes that funding is subject to appropriation and that the amount is unknown at this time.

House Bill 497

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

Office of Secretary of State (SOS) officials state this proposal creates the Fire District Equipment fund which will supply grants to qualifying fire departments. The Division of Fire Safety would promulgate rules to implement this proposal. SOS states that based on experience with other divisions, the rules, regulations, and forms issued by the Division of Fire Safety could require as many as 10 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register in the Code because cost statements, fiscal notes, and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The fiscal impact of this proposal in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue**, the **Department of Public Safety**, and **Office of Administration** did not respond to our fiscal note request. However, in responding to a similar ASSUMPTION (continued)

request last session they assume no fiscal impact.

The **Governor's Budget** for FY 2002 shows General Revenue Insurance Tax receipts of \$147,315,302 in FY 2000 and estimates receipts of \$149,200,000 for FY 2001 and \$151,400,000 for FY 2002. 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 \$373,000 in FY 2002 and \$378,500 in FY 2003. Oversight assumes receipts would remain constant at \$151,400,000 per year, subsequently.

House Bill 689

Officials of the **Department of Revenue** stated they would be required to create a shape file on the MITS mainframe sales tax system for the boundaries of the fire districts. The creation of the shape file would require ongoing maintenance as the district grows and expands. In order to provide numbers to calculate the property tax reduction MITS would need to track the sales tax generated from each of the fire district's sales tax. DOR would need 727 hours of programming at a total cost of \$24,569, and Data Center cost of \$4,730.

Oversight assumes that the Department of Revenue would realize income from a 1% collection fee of the sales tax. The amount of revenues are indeterminable and will be shown as unknown. The income from the collection fee would be deposited in the State's General Revenue Fund.

Officials of the **Department of Health** assumes there would be no fiscal impact to their department.

Officials of the **Department of Revenue** assume this proposal creates a sales tax for ambulance districts which do not have a required boundary as a city or a county. Officials assume they would need one Tax Processing Technician I for each 1,000 businesses in the district in order to continually work with the businesses in the districts and to keep current the registration issues that arise with the increasing number of districts that might adopt a sales tax. The sales tax mainframe system (MITS) would need to be modified to create and maintain "shape files" which would define the boundaries of the district. MITS would need to create reports for each district and distribute to each district from the Ambulance District Sales Tax Trust Fund. The MITS system would require 727 hours of programming at a cost of \$34,569. State Data Center implementation costs for testing and programming would be \$4,730. Officials estimate costs for personal services, fringe benefits, equipment and expense for 10 months of FY 2002 at \$71,468;

and in FY 2003 \$31,301; and \$32,095 in FY 2003. Officials estimate there would be income from the 1% collection fee, however, income to the State's General Revenue Fund is Unknown.

ASSUMPTION (continued)

Officials of the **St. Charles and Valle Ambulance Districts** assume there would be income if the voters would approve the sales tax. Officials said there would be election costs.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Income - Department of Revenue</u>			
1% collection fee - fire districts*	Unknown	Unknown	Unknown
<u>Income - Department of Revenue</u>			
1% collection fee - ambulance districts*	Unknown	Unknown	Unknown
<u>Loss - General Revenue Fund</u>			
Appropriations of grant funds**	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<u>Transfer Out - Office of State Treasurer</u>			
Premium taxes to Fire Education Fund	(\$373,000)	(\$378,500)	(\$378,500)
<u>Cost - Department of Revenue</u>			
Sales tax collection	(\$29,299)	\$0	\$0
<u>Cost - Department of Revenue</u>			
Personal service (1.0 FTE)	(\$17,660)	(\$21,722)	(\$22,265)
Fringe benefits	(\$5,886)	(\$7,240)	(\$7,421)
Equipment	(\$6,730)	\$0	\$0
Expense	(\$41,192)	(\$2,339)	(\$2,409)
Total <u>Cost</u> - Department of Revenue	(\$71,468)	(\$31,301)	(\$32,095)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND***	<u>(\$437,767)</u>	<u>(\$409,801)</u>	<u>(\$410,595)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

***This proposal would require voter approval before any fiscal impact would be realized by the State or by Fire Protection Districts.**

****Subject to appropriation**

*****Does not include unknown revenue for collection fees and unknown appropriations of grant funds.**

FIRE EDUCATION FUND

<u>Transfer In - Office of State Treasurer</u>			
Premium taxes to Fire Education Fund	\$373,000	\$378,500	\$378,500
<u>Transfer Out - Office of State Treasurer</u>			
To Fire District Equipment Fund	(\$93,250)	(\$94,625)	(\$94,625)
<u>Transfer Out - Office of State Treasurer</u>			
To Missouri Fire Education Trust Fund	(\$74,600)	(\$75,700)	(\$75,700)
<u>Costs - Department of Public Safety -</u>			
<u>Division of Fire Safety</u>			
Fire education programs	<u>(\$205,150)</u>	<u>(\$208,175)</u>	<u>(\$208,175)</u>

ESTIMATED NET EFFECT ON FIRE EDUCATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	-------------------	-------------------	-------------------

**FIRE DISTRICT EQUIPMENT
FUND**

<u>Transfer In - Office of State Treasurer</u>			
From Fire Education Fund	\$93,250	\$94,625	\$94,625

Costs - Missouri Fire Education
Commission

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Grants	<u>(\$93,250)</u>	<u>(\$94,625)</u>	<u>(\$94,625)</u>

ESTIMATED NET EFFECT ON FIRE DISTRICT EQUIPMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
---	-------------------	-------------------	-------------------

**MISSOURI FIRE EDUCATION
TRUST FUND**

<u>Transfer In - Office of State Treasurer</u> From Fire Education Fund	\$74,600	\$75,700	\$75,700
<u>Costs - Office of State Treasurer</u> Appropriations for fire education programs	<u>(\$74,600)</u>	<u>(\$75,700)</u>	<u>(\$75,700)</u>

ESTIMATED NET EFFECT ON MISSOURI FIRE EDUCATION TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
---	-------------------	-------------------	-------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
---	---------------------	---------	---------

FIRE PROTECTION DISTRICTS

<u>Income - Fire Protection Districts</u> Grant funds*	\$0	\$0 to Unknown	\$0 to Unknown
---	-----	----------------	----------------

<u>Income - Fire Protection District</u> Voter approved sales tax**	Unknown	Unknown	Unknown
--	---------	---------	---------

<u>Loss - Fire Protection District</u> Property tax reduction of an amount equal to one-half of the total amount of sales tax revenue collected annually**	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---	------------------	------------------	------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
ESTIMATED NET EFFECT ON FIRE PROTECTION DISTRICTS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

***Subject to appropriation.**

*** This proposal would require voter approval before fiscal impact would be realized by Fire Protection Districts.**

AMBULANCE DISTRICTS

<u>Income - Ambulance Districts</u>			
Voter approved sales tax*	Unknown	Unknown	Unknown
<u>Cost - Ambulance District</u>			
Election Costs of Sales Tax vote.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(\$Unknown)</u>

ESTIMATED NET EFFECT TO CERTAIN AMBULANCE DISTRICTS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
--	----------------	----------------	----------------

***Oversight assumes sales tax would exceed the cost of an election, therefore, a positive Unknown is shown. This proposal is not mandatory.**

ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0 TO UNKNOWN</u>	<u>\$0 TO UNKNOWN</u>	<u>\$0 TO UNKNOWN</u>
--	---------------------------	---------------------------	---------------------------

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal. A direct positive fiscal impact on certain small businesses may be expected because of possible construction projects that may be implemented due to this proposal.

Small business located in a fire protection district that would receive voter approval to impose a sales tax would realize a reduction in the property tax for the district and would have the new

duty of sales tax collection and administration and would pay the sales tax.

Small business located within the boundaries of an ambulance district that has received voter approval to impose a sales tax would expect to be impacted to the extent that they would have additional administrative duties of sales tax administration and they would pay the sales tax.

DESCRIPTION

This proposal would make changes to laws governing ambulance services. The proposal would: (1) Allow, upon voter approval, ambulance boards to increase to 7 members or decrease to 5 or 3 members; (2) Allow for the recall by petition of an ambulance board member. If a board member is recalled, the election authority must order an election for a new member at the next scheduled public election; (3) Remove the requirement that Cass, Bates, Henry, Johnson, and St. Clair counties have a mobile emergency medical technician in the ambulance when transporting a patient; (4) Require most counties to have at least 2 licensed individuals when transporting a patient; (5) Require ambulance owners to notify the Department of Health upon the sale or transfer of any ambulance service license. The department must inspect the new service to verify compliance with licensure standards; (6) Change requirements for the county letter of endorsement to the department for new ambulance service within unincorporated portions of a county. The letter must state the public health benefits of the service and show that the service has the expertise and resources to operate the service; (7) Requires all ambulance services, including services in St. Louis City, to maintain adequate insurance coverage or proof of financial responsibility with adequate reserves maintained. Provisions for the self-insurance of St. Louis City ambulance services are removed; (8) Expand causes for which a complaint may be filed with the Administrative Hearing Commission against an ambulance service; (9) Forbid relicensure of any individual whose license has been revoked twice within a 10-year period; (10) Require a patient care report to be completed for each run on which are entered pertinent remarks by a registered nurse or physician. A patient care report is also required to be given by a health care facility when a patient is transferred to another facility; and (11) Require ambulance services to report to the department within 72 hours of their having knowledge of certain felony charges filed against an employee of the licensee. The employee of a service is also required to notify the service of such charges within 72 hours.

The proposal also contains provisions related to the regulation of stretcher van services. A stretcher van service is a person or agency that provides transportation to passengers who are confined to stretchers vans and whose conditions are not likely to need medical attention during transportation. The proposal would: (1) Require any person, owner, or agent to be licensed by the Department of Health if the person or entity advertises, operates, maintains, engages, or proposes to engage in the transport of persons confined to stretchers. The department can issue such licenses for a period of 5 years; (2) Allow political subdivisions who are authorized to

provide ambulance service to adopt ordinances and regulations governing the use of stretcher vans as long as those regulations are as strict as the minimum state standards. Ordinances and regulations in effect prior to August 28, 2001, may continue to be enforced by any political subdivision; (3) Allow the governing body in St. Louis County to set standards for all stretcher van services. Any service in the county must be licensed by the state. The county may not prohibit a licensed service from operating in the county as long as the service meets county standards; (4) Require stretcher vans to operate with a 2-person crew; (5) Require stretcher van operators to immediately contact the appropriate ground ambulance service if a passenger's DESCRIPTION (continued)

medical condition deteriorates; (6) Prohibit services from transporting persons currently admitted to a hospital or persons being transported to a hospital for admission or emergency treatment; (7) Require the department to establish regulations requiring adequate insurance, vehicle maintenance and specifications, passenger safety, and service records and reports; (8) Require the department to establish the application forms for stretcher van service licenses in order to ensure compliance with rules; (9) Require services to notify the department upon the sale or transfer of any service license. The department must inspect the new service to verify compliance with licensure standards; (10) Allow the department to refuse to issue or deny renewal of a stretcher van license for failure to comply with the law or any regulation promulgated by the department. Guidelines for disciplinary action and relicensure are established. The department may cause a complaint to be filed with the Administrative Hearing Commission against a licensee for noncompliance with regulations. Procedures are established for the notification of the applicant that a license has been refused and for the applicant to file a complaint with the Administrative Hearing Commission. An individual whose license has been revoked must wait one year to apply for relicensure. The department may notify any other state in which a person is licensed of a suspended or revoked license in this state; (11) Protect any person or organization from civil damage when in good faith the person provides information to the department regarding stretcher van regulations; (12) Allow the department to suspend a license if the department finds that there is an imminent threat to public health. The department must file a complaint with the Administrative Hearing Commission upon the suspension. Procedures are established for the suspension and appeal of such suspension; and (13) Give the Attorney General concurrent jurisdiction with all prosecuting attorneys to prosecute persons in violation of these laws and regulations. Injunctive proceedings may be instituted against persons in violation. Persons violating these laws are guilty of a class B misdemeanor. Each day that any violation continues constitutes a separate offense, but the court may stay the cumulative penalties.

This proposal requires the Department of Public Safety to establish a grant program for volunteer fire protection associations and fire protection districts which collected or received less than \$10,000 in local tax revenue in the preceding year. The grants may be used for the purchase of equipment and the construction of fire stations. Grants are awarded on a matching fund basis.

The fire association or district must show proof of dedication of funds equal to 25% of the amount necessary to complete the project. Funding for the grant program is subject to appropriation by the General Assembly

Under current law, the Fire Education Fund annually receives an amount equal to 3% of the difference between 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 five-tenths of 1% of the amount of premium taxes collected in the preceding fiscal year. Fifty-five percent of these funds would required to be used for fire DESCRIPTION (continued)

education. The proposal would also establish a subaccount of the Fire Education Fund to be known as the Fire District Equipment Fund. Twenty-five percent of the money transferred to the Fire Education Fund would be deposited in the Fire District Equipment Fund. Money in the equipment fund would only be used for purposes authorized by the Missouri Fire Education Commission and the Missouri Division of Fire Safety. The division and commission would make grants to aid in funding equipment of any fire department or district with less than \$10,000 in revenue per year or any volunteer fire protection association with a population of less than 10,000. The division would administer, regulate, and make rules for the grant program. The proposal outlines criteria for the program rules.

This proposal would allow a fire protection district that provides emergency service to a redevelopment project in a redevelopment area to impose a retail sales tax of up to one-half of 1% on all sales made in the district, upon voter approval. If a sales tax is approved, it would coincide with a reduction in property taxes equal to 50% of the amount of sales taxes collected. No fire protection district would be authorized to impose a sales tax by the proposal which has not imposed a sales tax prior to August 28, 2000, may impose any new sales tax for fire protection other than the sales tax authorized by the proposal.

This proposal would allow the governing body of an ambulance district, upon voter approval, to impose a sales tax of up to one-fourth of 1% on all retail sales within the district. The tax would be used solely for the operation of the district.

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 Health
Department of Insurance

MW:LR:OD (12/00)

Office of Secretary of State
Department of Public Safety
 Division of Fire Safety
Office of Administration
 Budget and Planning
Office of State Treasurer
Department of Revenue
Vallee Ambulance District
St. Charles County Ambulance District

SOURCES OF INFORMATION (continued)

NOT RESPONDING: Ste. Genevieve County Memorial Hospital, Newton County Ambulance District, Mid-Mo Ambulance District, Stoddard County Ambulance District, Taney County Ambulance District, St. Charles County Fire Protection District, Eureka Fire Protection District, Logan-Rogersville Fire Protection District, Chesterfield Fire Protection District, Mehlville Fire Protection District, LeMay Fire Protection District, and Raytown Fire Protection District



Jeanne Jarrett, CPA
Director

March 26, 2001