

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5576-02
Bill No.: HB 2358
Subject: Boats and Watercraft; Federal - State Relations
Type: Original
Date: February 18, 2016

Bill Summary: This proposal modifies provisions of law relating to marine transactions to ensure compliance with federal regulations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$81,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$81,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the changes within this proposal are to comply and be consistent with the United States Coast Guard 33 CFR Parts 173 and 174 by January 1, 2017. Current law does not presently conform with updated federal regulations relating to requirements for marine credentials. Changes include:

- New and modified definitions related to vessels;
- Verification of affixation for all State-assigned hull identification numbers;
- Collection of required owner identifiers;
- Use of authorized terms for Contents of Application for Certificate of Number; and
- Modification to the contents of Certificate of Number.

Administrative Impact:

Motor Vehicle Bureau

Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2017.

The following forms will need to be revised:

- Application for Missouri Boat/Vessel or Outboard Motor Title and Registration (DOR-93);
- Boat, Vessel, or Outboard Motor Affidavit of Ownership and Inspection (DOR-798); and
- Application for Replacement of Vehicle, Vessel, or Trailer Identification Number Plate (DOR-923)

Revising these forms will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2017.

The Department's website will need to be updated. This will require 10.5 hours for an Administrative Analyst III, at a cost of \$252 in FY 2017.

Additional keying will be required for a clerk to process a marine transaction with the new federal requirements, if wait times get longer additional FTE may be requested through the appropriations process.

ASSUMPTION (continued)

OA-ITSD services are required at a cost of \$81,000 (1,080 hours x \$75 per hour).

In summary, DOR assumes a cost of \$83,032 (\$890 + \$890 + \$252 + \$81,000).

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the administrative costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process. Oversight will reflect a cost of \$81,000 for FY 2017 for OA-ITSD services.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
Cost - DOR OA-ITSD services	<u>(\$81,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$81,000)</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal adds artificial contrivances used or capable of being used as a means of transport on waters to the definition of "vessel." This proposal also adds a vessel owner's designated representative to the individuals who may file an application for a vessel number.

FISCAL DESCRIPTION (continued)

Additionally, this proposal adds specific information that must be provided, including acceptable substitutes, when filing a vessel number application.

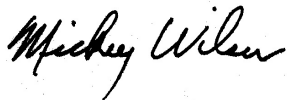
This proposal requires a vessel owner, or his or her designee, to submit the outboard motor or vessel for inspection if a replacement identification plate has been fastened to the outboard motor or vessel because the original has been destroyed, removed, covered, altered, or defaced. Once the replacement identification and its placement have been inspected, the replacement identification plate will be the lawful number of the outboard motor or vessel for the purpose of identification and registration.

Finally, this proposal specifies various vessels that are not required to be titled or numbered. Added to the list are nonmotorized vessels, unless such vessels are boats powered by sails that are more than 12 feet in length.

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

SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety
Missouri Highway Patrol



Mickey Wilson, CPA
Director
February 18, 2016

Ross Strope
Assistant Director
February 18, 2016