

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4285-01  
Bill No.: HB 2182  
Subject: Property, Real and Personal; Water Resources and Water Districts; Emergencies;  
 Department of Public Safety  
Type: Original  
Date: March 6, 2018

Bill Summary: This proposal requires all counties and municipalities to participate in the National Flood Insurance Program and modifies provisions relating to flood plain management.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$118,770)	(\$136,613)	(\$137,713)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$118,770)</b>	<b>(\$136,613)</b>	<b>(\$137,713)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
General Revenue	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety (DPS) - Missouri State Emergency Management Agency (SEMA)** state this proposal would affect 368 political subdivisions in the state that do not currently participate in the National Flood Insurance Program. Currently, 673 political subdivisions do participate.

SEMA states they currently have three full-time staff managing the National Flood Insurance Program supporting the 673 participating jurisdictions:

- the Missouri State NFIP Coordinator;
- a Floodplain Management Officer; and
- an Emergency Management Officer II

To add 368 jurisdictions that have no exposure to the program previously, would reasonably require two additional Emergency Management Officer II staff positions at a current cost of \$42,000 each, each including fringe benefits.

In addition, this legislation creates extensive rulemaking authority at the agency level. Rulemaking authority is traditionally applied at the department level where General Counsel resources are available. For a program as complex as NFIP, it is reasonable to expect full-time legal staff to establish and maintain rulemaking if legislation is passed as written. A current deputy counsel position at Department of Public Safety has a salary of \$70,000 plus fringe benefits, for a total of \$105,750. Each of these positions would need 96 square feet of workspace that is not available at the agency for a projected additional cost of \$2,779.

SEMA further assumes these FTE would be paid from the General Revenue Fund initially. SEMA states that eventually, they may be able to acquire additional grant funds to help pay for these FTE.

**Oversight** assumes SEMA would be able to utilize DPS's counsel in the rulemaking process and would not require the additional FTE deputy counsel.

According to officials from the **Office of the Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that

ASSUMPTION (continued)

this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**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.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from **Cole County** estimate that this legislation will cost the county over \$60,000 for an additional employee, plus the cost of benefits.

Officials from **City of Kansas City** state this legislation would have a small negative fiscal impact on the city of an indeterminate amount.

Officials from the **City of Springfield** state there is a potential negative fiscal impact that is unquantifiable without knowing the impact the proposal will have on City resources.

Officials from **Cape Girardeau County** state there is a cost to taking the test and the ongoing cost of continuing education. The financial impact on Cape Girardeau County would be an estimated \$535 per year to be a member of MfSMA and meet the continuing education requirements of being a certified floodplain manager.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DPS - SEMA</u>			
Personal Service - 2 FTE	(\$70,000)	(\$84,840)	(\$85,688)
Fringe Benefits	(\$38,770)	(\$46,773)	(\$47,025)
Expense & Equipment	<u>(\$10,000)</u>	<u>(\$5,000)</u>	<u>(\$5,000)</u>
<u>Total Cost - SEMA</u>	(\$118,770)	(\$136,613)	(\$137,713)
FTE Change - SEMA	2 FTE	2 FTE	2 FTE
 <b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	 <b><u>(\$118,770)</u></b>	 <b><u>(\$136,613)</u></b>	 <b><u>(\$137,713)</u></b>
 Estimated Net FTE Change for General Revenue	 2 FTE	 2 FTE	 2 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs - Cities and Counties - requirements of participating in the National Flood Insurance Program</u>			
	( <u>Unknown</u> )	( <u>Unknown</u> )	( <u>Unknown</u> )
 <b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	 <b><u>(Unknown)</u></b>	 <b><u>(Unknown)</u></b>	 <b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

Small businesses in non-participating jurisdictions would be required to purchase NFIP insurance as a result of this proposal.

### FISCAL DESCRIPTION

This bill requires all counties and municipalities in the state to comply with the provisions of the National Flood Insurance Program and designate a floodplain manager to oversee policies and activities to mitigate losses and costs caused by flooding and protect the natural and beneficial functions of floodplains. A municipality may enter into an agreement with the county to use the services of its floodplain manager. All floodplain managers must be certified by the state and be in good standing with the Missouri Floodplain and Stormwater Managers Association.


The State Emergency Management Agency must develop regulations to determine allowable levels of development within floodplains. The agency must collaborate with stakeholders to determine such levels, the process for reviewing proposed site plans, and when variances may be issued.

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

### SOURCES OF INFORMATION

Department of Public Safety - Missouri State Emergency Management Agency  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Cape Girardeau County  
Cole County  
City of Kansas City  
City of Springfield

Ross Strobe



Acting Director  
March 6, 2018