

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3208-04
Bill No.: SCS for HB 996 and HB 1142 and HCS for HB 1201 and HB 1489
Subject: Motor Vehicles; Kansas City; Revenue Dept; Highway Patrol
Type: Original
Date: April 19, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Highway Fund*	(Unknown)	Unknown	Unknown
Total Estimated Net Effect on Other State Funds	(Unknown)	Unknown	Unknown

*** Unknown income and associated cost are not expected to exceed \$100,000 per year.**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government*	Unknown	Unknown	Unknown

*Unknown income not expected to exceed \$100,000 per year.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance**, the **Department of Public Safety - Missouri State Highway Patrol**, **Department of Transportation** stated this proposal would have no fiscal impact on their agency.

The **Department of Revenue (DOR)** assumes that, in order to implement this legislation, the DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including DOR) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

ASSUMPTION (continued)

LMD:LR:OD (12/02)

SECTION 301.010 & 304.013

Officials with the **Department of Revenue (DOR)** indicated that their agency would incur costs for notifying field offices and agents of procedural changes. DOR estimates a total of \$530 in expenses for printing and postage related to this notification. **Oversight** assumes that such notification could take place within the normal parameters of field communication and that the additional notification warranted by this proposal can be done utilizing existing resources already in place or planned.

SECTION 304.029

Officials with the **Department of Revenue (DOR)** assume this proposal would allow drivers of low speed vehicles to operate on some highways. DOR cannot estimate the number of low speed vehicles which could be registered.

The **DOR - Driver and Vehicle Services Bureau (DVSB)** further assume they could incur cost for procedure modifications and the additional costs to title and register those vehicles that are not currently being titled and registered. The agency assumes it could require FTE and associated expenses for these FTE.

The **DOR - Information Technology Bureau (ITB)** assume they could incur programming costs to modify the existing registration and fee systems. The low speed vehicles do not always contain the same information and information formatting as normal motor vehicles; therefore, these programs will have to be modified to handle unique information from the low speed vehicles. The cost incurred for these modifications is unknown; however, the cost for programming is anticipated to be less than \$20,000.

This proposal could increase state revenue through registration and licensing fees for low speed vehicles.

Oversight assumes there could be income and cost associated with the unknown number of applicants for low speed vehicle registration, however **Oversight** assumes that DOR could handle the request with existing personnel.

SECTION 304.156

Officials of the **Office of Kansas City Manager** stated that no direct savings would result from ASSUMPTION (continued)

passage of this proposal, although quicker disposition of wrecked vehicles would free space in

storage lots, thus indirectly providing savings estimated at \$25,000 per year.

SECTION 307.375

The **Department of Elementary and Secondary Education (DESE)** assumes that since the Missouri State Highway Patrol does not charge DESE or schools for bus inspections, there will be no fiscal impact on either DESE or the school districts.

SECTION 307.366 & 643.315

Officials from the **Department of Revenue - Driver and Vehicle Services Bureau (DVSB)** assume costs will occur for notifying the field of procedures changes. It is estimated to be \$530 - Highway Funds (\$368 for procedures changes, \$11 for envelopes and \$151 for postage). **Oversight** assumes that such notification could take place within the normal parameters of field communication and that the additional notification warranted by this proposal can be done utilizing existing resources already in place or planned.

Officials from the **Department of Revenue - Information Technology Bureau (ITB)** assume they will incur \$1,687 in overtime programming to update the motor vehicle general registration system to allow for the exemption. **Oversight** assumes this expense can be absorbed within existing resources.

Officials from the **Department of Natural Resources** assumed this proposal would result in minimal fiscal impact on their agency.

FISCAL IMPACT - State Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

HIGHWAY FUND (Section 304.029)

LMD:LR:OD (12/02)

Income-Department of Revenue

Licensing and title fees*	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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Cost-Department of Revenue

Forms, Procedures*	(Unknown)	\$0	\$0
Plates and tabs*	(Unknown)	\$0	\$0
Programming**	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>
Total Cost - DOR	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>

**NET ESTIMATED EFFECT ON
HIGHWAY FUND**

<u>(Unknown)</u>	<u>Unknown</u>	<u>Unknown</u>
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*Unknown income and associated cost are not expected to exceed \$100,000.

** Unknown not expected to exceed \$20,000.

FISCAL IMPACT - Local Government

FY 2005 (10 Mo.)	FY 2006	FY 2007
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LOCAL FUNDS

Income-Cities

License and title fees*	Unknown	Unknown	Unknown
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Income-Counties

License and title fees*	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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**ESTIMATED EFFECT ON LOCAL
FUNDS**

<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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*Unknown income not expected to exceed \$100,000.

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act amends various laws pertaining to motor vehicles:

SECTION 307.375 - SCHOOL BUS FRAMES - Requires the State Highway Patrol to include the frames on school buses as part of the annual school bus inspection.

SECTION 304.029 - LOW-SPEED VEHICLES - Allows operators of low-speed vehicles to use public highways under certain conditions. According to federal regulations, a low-speed vehicle is a four-wheeled vehicle whose top speed is greater than 20 mph but less than 25 mph. All low-speed vehicles must be manufactured in compliance with the National Highway Traffic Safety Administration standards. A low-speed vehicle shall not be operated on a street or highway with a posted speed limit greater than 35 mph. A low-speed vehicle shall be exempt from inspection and emission testing, but must comply with the federal standards. Every operator of a low-speed vehicle shall maintain financial responsibility as required under Chapter 303, RSMo. Every operator of a low-speed vehicle must have a driver's license. City and counties may promulgate ordinances which are more stringent than this act.

SECTION 304.156 - REMOVAL OF JUNK VEHICLES BY KANSAS CITY - Allows Kansas City to adopt by ordinance regulations for the removal and sale of abandoned property by requiring:

- (1) That the Department of Revenue records must be searched to determine ownership of the abandoned property;
- (2) Notification to the owner by mail advising of the towing and impoundment;
- (3) That if vehicles are older than six years and more than 50% damaged by collision, fire, or decay that are valued at less than \$200, be held at least 10 days before being sold to a licensed salvage or scrap business (if title is required, then an affidavit from a certified appraiser stating that the vehicle's value is less than \$200); and
- (4) All other vehicles be held at least 30 days before being sold.

SECTION 301.010 & 304.013 - PASSENGERS ON ATVS - Modifies the definition of ATVs and allows passengers to ride on ATVs if the seat of such vehicles are designed to carry more than one person. The ATV definition is modified by increasing the unladen dry weight of an ATV from 600 pounds to 1,000 pounds and by providing that an ATV may be a vehicle with a seat designed to carry more than one person.

DESCRIPTION (continued)

SECTION 307.366 & 643.315 - EXEMPTIONS FROM EMISSIONS PROCESS - Exempts certain vehicles which are manufactured 26 years or more to the current model from the

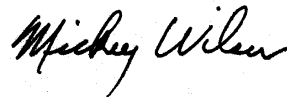
emissions process.

SECTION 307.172 - BUMPER HEIGHTS - Amends the current Missouri bumper height law to include vehicles with a gross vehicle rating (GVWR) over 9001 pounds to a gross vehicle rating of 11,500 pounds. The maximum front bumper height would be 29 inches and the maximum of the rear bumper height would be 31 inches.

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 Revenue
Department of Natural Resources
Department of Public Safety
Missouri State Highway Patrol
Department of Elementary and Secondary Education
Department of Transportation
Department of Insurance
City Manager of Kansas City



Mickey Wilson, CPA
Director
April 19, 2004