

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3521-11
Bill No.: SS for SCS for HCS for HBs 946, 1106, and 952, with SA's 1, 2, 4, 5, 6, 7, 8
A.A., 9, 10, 11, 12, 13, 14, 15, 16, and 17
Subject: Transportation; Transportation Dept.; Roads and Highways; Motor Vehicles
Type: Original
Date: May 12, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	Unknown	\$2,251,290 to Unknown	\$4,502,580 to Unknown
Total Estimated Net Effect on General Revenue Fund	Unknown	\$2,251,290 to Unknown	\$4,502,580 to Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Highway Fund	(\$216,153)	\$2,589,924	\$6,771,153
State School Moneys Fund	\$0	\$0	\$0
RR Grade Crossing Fee	\$840,594	\$1,023,453	\$1,038,312
Conservation Tax	\$0	\$245,856	\$491,711
Proposition C	\$0	\$750,430	\$1,500,860
State Parks Fund	\$0	\$98,343	\$196,685
Parks/Soil Fund	\$0	\$98,343	\$196,685
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$4,806,349	\$10,195,406

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 13 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	\$25,578	\$6,504,556	\$12,978,416

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Prosecution Services, Attorney General's Office, and State Public Defender's Office** stated this proposal would have no impact on their agencies.

Officials from the **Department of Public Safety – Missouri State Highway Patrol (MSHP)** were unable to respond to our request for fiscal impact. However, in response to a similar version of this act (3521-11), MSHP stated this proposal would have no impact on their agency.

Officials from the **Office of the State Courts Administrator (CTS)** assume the proposal would allow an officer to stop a vehicle for non-compliance with the seat belt law if the violation is clearly visible to the officer without stopping the vehicle, and increase the fine from \$10 to \$15.

CTS assumes, depending on the degree of enforcement, there could be a significant increase in the number of cases filed. However, CTS has no way of estimating that increase. CTS states that any significant increase would be reflected in future budget requests.

Officials from the **Department of Transportation (MoDOT)** indicate they will require an additional part-time Senior Clerk position to work 1,000 hours annually. The Senior Clerk would enter real estate data into the system and provide monthly, quarterly and annual data reports. The hourly salary for a senior clerk is \$11.72. Therefore, the cost for this part-time position will be \$11,720 (1,000 hours X \$11.72) plus associated fringe benefits. The new part-time Senior Clerk would require a computer and software.

Currently, MoDOT has approximately \$200,000 for the development of a real estate inventory database application in their budget. However, an additional \$117,000 for a related imaging application would be required to aid in the function of the database.

Based on additional information provided by MoDOT officials, the inventory database application was already in the planning stages and funds are in their budget. **Oversight** assumes that additional equipment and personnel will be requested through the normal appropriation process and that the additional reporting requirements of this proposal can be done within existing resources already in place or planned.

MoDOT officials indicated that it hopes that private funds will be raised to fund the erected of signs for all highways named in this act. However, MoDOT has not received a funding commitment for certain signs contained in this act. **Oversight** assumes that MoDOT will not

ASSUMPTION (continued)

purchase or erect such signs until private funds have been received.

MoDOT assumes that this provision allows heavier trucks to travel certain highways in Missouri, and is unable to estimate the amount of additional deterioration such trucks would create and the related cost. **Oversight** assumes that additional costs for such deterioration would be minimal.

Officials from MoDOT assume the educational materials with revised law information would have to be redesigned and printed, but the cost will be absorbed by MoDOT. MoDOT officials state the federal TEA-21 reauthorization bills are currently being negotiated. One of the versions of the federal bill would allow a windfall incentive to states that pass primary seat belt enforcement laws. The maximum grant for states that enact a "safety belt use law" would be equal to 5 times the FY 2003 Section 402 formula grant. Missouri's FY 2003 grant was approximately \$3.4 million. Therefore, the total incentive would be \$17 million. Until a bill is passed on the federal level, the fiscal impact to MoDOT is unknown, but would be either \$0 or \$17 million.

Oversight notes that increases in fines which would go to school districts would be offset by reduced payments to those districts through the State Foundation Formula.

MoDOT assumes their agency would incur costs for additional postage and mailing supplies to reissue plates for all commercial vehicles, at a total cost of approximately \$175,000 annually through 2007.

Officials with the **Department of Corrections (DOC)** assume that the creation and enhancements of offenses mandated in this act would increase the number of commitments to the correctional system. DOC cannot predict the number new commitments, but assumes the impact would be less than \$100,000 per year.

Officials with the **Department Revenue (DOR)** assume the follow fiscal impact for their agency resulting from this act:

Section 301.132

DOR assumes this proposal will require \$379 for revision to field procedures and envelopes and \$151 for the postage distribute the revised procedures to the field. DOR also assumes programming costs to make modifications to GRS and all associated systems, including the Missouri Transportation Accounting System and to include the word "replica" on the title. Programming costs for these systems are estimated at \$7,924. In addition, the State Data Center has indicated that this proposal will require approximately \$500 annually for computer storage

ASSUMPTION (continued)

costs associated with these changes.

DOR has estimated a 1% growth rate on registered vehicles. Currently, DOR registers 135 street rod motor vehicles. Additionally, there are approximately 163,696 motor vehicles currently on the GRS with a model year of 1949 through 1978 that would qualify as custom vehicles.

Assuming only 5% of these owner for this type of vehicle would apply as a custom vehicle, \$122,775 would be generated annually.

Sections 301.196, 301.197, 301.198, and 301.280

DOR estimates 1,270,256 notices of transfer received (based on current titles) the first year and 920,480 each year thereafter (this number is reduced due to dealers required to file sales reports electronically in year two of implementation). DOR will require the following FTE and associated costs: 14 Revenue Licensing Technicians I the first year and 11 each year thereafter; 6 Telephone Information Operators I to answer inquiries that this notification will generate; 1 Photographic Machine Operator to microfilm sale notifications; 1 Revenue Section Supervisor; and 1 Revenue Licensing Unit Supervisor.

DOR assumes this proposal requires programming modifications to DOR's vehicle lien file and General Registration System (GRS). Such modifications will require 275 hours of programming for 1 Computer Information Technician Supervisor, 5,504 total hours for 2 Computer Information Technologist Specialist III's and 80 hours of programming for 1 Information Support Coordinator, totaling \$174,295 in programming costs. Additionally, 1 Computer Information Technologist III will be required to design, test, and implement the dealer on-line sales report and the interface of notification reporting through the dealer sales report information.

It is estimated by DOR that they will need 1.89 FTE Tax Collection Techs to process 169,788 delinquency notices, 7.38 FTE Tax Collection Techs for phone calls on the delinquency notices (based on a 50% calling rate), and 2.78 FTE Tax Processing Techs to process correspondence generated due to the notices (based on a 20% correspondence rate), and the associated costs.

Based upon the current 75% collection success rate for delinquent transactions, DOR anticipates that it will collect the following additional revenues on 59,435 transactions:

	Percent of response to delinquent fee letter accounts	Average Tax amount	
Sales Tax (47%)	27,935	\$454	\$12,682,267
Use Tax (53%)	31,501	\$125	\$3,937,577
Local Tax	59,435		\$5,900,536
Title Fee*	59,435	\$8.50	\$505,199
Processing Fee*	59,435	\$6	\$356,611
License Fee*	59,435	\$28.05	\$1,667,155
Railroad Grade Crossing Fee	59,435	\$0.25	\$14,859
<i>Total State Revenue Increase</i>			<i>\$19,148,808</i>

* – 2,528,965 as indicated above would be collected for titling, registration, and processing of motor vehicle transactions, a portion of which is distribution to cities and counties per the Missouri Constitution.

Section 304.157

DOR assumes that search times, employee time, supplies and postage will be saved by allowing online access for abandoned vehicle record searches by towing companies. The extent of the savings is unknown at this time.

Sections 301.129 and 301.130

DVSB would require two Management Analyst I's for six month of FY06 to develop and design new license plates, order and schedule inventory distribution to field offices, and coordinate forms revisions and communication to field offices regarding this re-issuance. Two Management Analyst I's would be required for six months of FY07 and one Management Analyst would be required for the remaining six months of FY07 and the first six months of FY08.

For the processing of mail-in and online renewal applications, DVSB anticipates requiring 352

ASSUMPTION (continued)

hours of overtime for a Clerk I in FY07, 470 hours of overtime for a Clerk I in FY08. Additional costs for renewal inserts explaining the re-issuance and new fee for passenger and commercial vehicles under 12,000 pounds, envelopes for mailing the plate(s) and procedural changes would total \$109,354 in FY06 and \$168,015 in FY07.

DOR anticipates costs for the actual plates to be re-issued, net of re-issuance fees and core budgeted revenues, to be \$1,299,255 in FY07 and \$1,029,474 in FY08.

ITB will require 842 hours in FY07 and 842 hours in FY08 to program changes and modifications to the Missouri on-line Registration Express, modify the special plate reservation program and the renewal pull program for fees at total costs of \$19,768 in both FY07 and FY08.

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 the 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.

Section 304.351

DOR assumes this proposal will require it make program modifications to its MODL driver licensing system. Such modifications will 960 hours of programming at an overtime rate of \$23 per hour in FY05 and 252 hours for system design and testing at an overtime rate of \$20 per hour in FY05.

Section 389.612

Programming costs for the railroad grade crossing fee increase is assumed to be \$2,800. Anticipated revenue generated will total approximately \$1,008,594.

The Department of Health and Senior Services did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Income</u> – Two-part title sale taxes	\$0	\$2,251,290	\$4,502,580
<u>Savings</u> – Reduced appropriations to State School Moneys Fund	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u><u>Unknown</u></u>	<u><u>\$2,251,290 to Unknown</u></u>	<u><u>\$4,502,580 to Unknown</u></u>
HIGHWAY FUND			
<u>Income</u> – DOR			
Sales tax	\$0	\$2,258,795	\$4,517,589
Use tax	\$0	\$1,747,446	\$3,494,891
Titling/Processing/Registration/Plates	<u>\$76,734</u>	<u>\$1,040,442</u>	<u>\$1,988,804</u>
<u>Total Income</u> – DOR	\$76,734	\$5,046,683	\$10,001,284
<u>Cost</u> – MoDOT			
Postage and mailing costs	(\$166,865)	(\$175,930)	(\$181,208)
<u>Cost</u> – DOR			
Salaries and fringe benefits	\$0	(\$1,349,219)	(\$1,347,103)
Equipment and expense	<u>(\$126,022)</u>	<u>(\$931,610)</u>	<u>(\$1,701,820)</u>
<u>Total Cost</u> – DOR	(\$126,022)	(\$2,280,829)	(\$3,048,923)
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u><u>(\$216,153)</u></u>	<u><u>\$2,589,924</u></u>	<u><u>\$6,771,153</u></u>
STATE SCHOOL MONEYS FUND			
<u>Savings</u> – Reduced distributions to school districts	Unknown	Unknown	Unknown
<u>Losses</u> – Reduced appropriations from General Revenue Fund	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

RR GRADE CROSSING FEE**	<u>\$840,495</u>	<u>\$1,023,453</u>	<u>\$1,038,312</u>
CONSERVATION TAX**	<u>\$0</u>	<u>\$245,856</u>	<u>\$491,711</u>
PROP C**	<u>\$0</u>	<u>\$750,430</u>	<u>\$1,500,860</u>
STATE PARKS FUND**	<u>\$0</u>	<u>\$98,343</u>	<u>\$196,685</u>
PARKS/SOIL FUND**	<u>\$0</u>	<u>\$98,343</u>	<u>\$196,685</u>

** – Allocations from sales/use tax receipts.

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
CITIES & COUNTIES			
<u>Income</u> – Motor Vehicle-related taxes and fees	<u>\$25,578</u>	<u>\$6,504,556</u>	<u>\$12,978,416</u>
ESTIMATED NET EFFECT ON CITIES & COUNTIES	<u>\$25,578</u>	<u>\$6,504,556</u>	<u>\$12,978,416</u>
SCHOOL DISTRICTS			
<u>Revenues</u> – Income from fines	Unknown	Unknown	Unknown
<u>Costs</u> – Reduced distributions from State School Moneys Fund	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<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.

DESCRIPTION

This proposal reenacts most sections included in SB 1107 (2002) concerning emergency services.

This proposal requires that beginning August 28, 2004, two members of the Highways and Transportation Commission (MHTC), one from each opposing political party, who have the most seniority in commission service will be elected by the commission, one to serve as chair and the other as vice chair. Effective March 1, 2005, the commission will then elect for a one-year term a chair and vice chair from the two members, one from each opposing political party, who have the most seniority in commission service. At the end of the one-year term, the chair and vice chair will switch their positions. Thereafter, the commission leadership will continue to rotate accordingly. Reappointed members may only serve as chair or vice-chair during the final two years of the reappointment.

The proposal contains provisions for filling vacancies due to removal, death, or resignation, or refusal to serve in leadership positions.

This proposal directs the MHTC, courts, commissioners, and juries to consider the restriction of or loss of access to any adjacent highway as an element of assessing damages in cases involving the taking of real estate by eminent domain.

This proposal requires that annual report to the Joint Committee on Transportation include an inventory of the property under review for disposal and land necessary for future use that is owned by the Department of Transportation and a description of all real estate transactions by the department for the preceding state fiscal year. This information will include the date of each transaction, the source of revenue used, and the allocation of any income produced by the real estate.

This act amends commercial zone restrictions to allow vehicles to operate at a greater weight and height by extending the Kansas City commercial zone.

This act increases the amount of administrative service fees third-class may impose upon county road and bridge funds, county park funds, and any specific capital improvements funds from 3% to 5%. Also included is a requirement that any petition to disincorporate a road district be presented to a county commission or similar authority. Such a petition must be signed by the lesser of 50 or a majority of the registered voters residing within the district.

This act mandates additional fines and penalties for violations causing injuries and fatalities and also for repeat traffic violations in construction or roadway work zones and makes changes to the enforcement of seat belt usage requirements in automobiles. Currently, law enforcement officers

DESCRIPTION (continued)

cannot stop, inspect, or detain any person solely because he or she failed to wear a properly adjusted and fastened seat belt. The proposed legislation would allow law enforcement officers to stop a person for a seat belt violation if the violation is clearly visible to the officer without stopping the vehicle. Drivers in violation could be assessed a fine of \$15. Currently, the fine cannot exceed \$10.

This legislation mandates racial profile reporting for all stops of a motor vehicle driver by a peace officer, regardless of whether or not a violation is suspected to have occurred.

This legislation also provides regulations for bicycle travel on roadways and for the lawful use and penalties for the unlawful use of Traffic Signal Preemption Systems. It further stipulates penalties for improper installations of airbags into motor vehicles. This act contains provisions relating to speed zones on roadways near schools.

This act defines and set regulations for towing operations and “local log trucks,” and also sets requirements transfers of motor vehicle ownership.

This act requires local zoning authorities to just compensation in instances of compelled removal or alteration of a legally erected outdoor advertising structure as a condition for issuance or continued effectiveness of a permit, license, or other approval.

This legislation contains provisions related to the licensing of street roads and sets the personal property tax rate of historic motor vehicles at one-half of one percent. It also includes sets a railroad crossing safety fee of twenty-five cents upon registration or renewal of registration of a commercial motor vehicle.

This act names the following portions of roadway:

- U.S. Route 67 in St. Francois County between State Route 8 in Desloge and State Route 32 in Leadington the as the “Deputy Steven R. Ziegler Memorial Highway,” with funds for signage provided by private donations.
- State Route 51 in Perry County from Interstate Highway 55 to U.S. Highway 61 as the “Thomas G. Tucker, Jr. Memorial Highway.”
- Interstate 70 in west-central Missouri as the “U.S. Submarine Veterans’ Memorial Highway,” with funds for signage provided by the Submarine Veterans’ Association.
- State Highway J in Lincoln County between its junctions with State Highway 47 and State Highway U as the “Veterans Highway.”

DESCRIPTION (continued)

- State Route 364 in St. Louis County from Interstate 270 to the Veterans' Memorial Bridge as the "Buzz Westfall Memorial Highway."
- A portion of Interstate 44 in Franklin County as the "Grand Army of the Republic Memorial Highway."
- A portion of U.S. Route 63 in Phelps County as the "Korean War Veterans Association Memorial Highway."
- A portion of State Route H in Clay County as the "Richard L. Harriman Highway."
- A portion of U.S. Route 412 in Dunklin and Pemiscot Counties as the "Governor John M. Dalton Memorial Highway."
- A portion of U.S. Route 65 in Mercer County "Robert Taylor Kelly Memorial Highway."
- The U.S. Route 249 bypass in Jasper County from Newman Road to U.S. 171 as the "Earl Carr Memorial Highway," with funds for signage provided by the City of Joplin.
- The portion of U.S. 71 from Iris Road to State Highway 86 in Newton County as the "James W. Minton, Jr. Memorial Highway."

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 Transportation

Department of Corrections

Office of State Courts Administrator

Department of Revenue

Department of Public Safety – Missouri State Highway Patrol

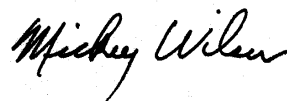
Office of Prosecution Services

Attorney General's Office

Department of Insurance

State Public Defender's Office

NOT RESPONDING: Department of Health and Senior Services



Mickey Wilson, CPA

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Director

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