

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1532-03  
Bill No.: SCS for HB 487  
Subject: Emergencies; Law Enforcement Officers and Agencies; Motor Vehicles.  
Type: Original  
Date: April 22, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<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 13 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Department of Revenue's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 20 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 30 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal are estimated to be \$1,230, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal, however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

**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.

ASSUMPTION (continued)

§§43.530, 136.055, 168.133, 302.177, 302.272, 302.735, Section 1, Section 2 – School Bus Drivers

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there are currently 21,971 CDL licensed drivers with a school bus permit. Approximately 40% of school buses are operated by contractors; therefore, DESE estimates 13,193 district-operated drivers and 8,799 contracted drivers would be required to switch to DESE's fingerprint/background check service instead of DOR's. DESE would require 2.0 FTE Administrative Assistants (each at \$26,232 per year) to process the additional workload. DESE estimates the cost of the proposal to be approximately \$73,000 in FY 06; \$83,000 in FY 07; and \$85,000 in FY 08.

In addition, DESE assumes the provisions in Section 1 of the proposal would require each school district to maintain on file a statement from a medical examiner which indicates the driver is physically qualified to operate a school bus for the purpose of transporting pupils. Such statement shall be made annually and shall apply to drivers employed by the school district or under contract with the school district.

DESE further assumes Section 2 of the proposal requires each school district to provide training in at least 8 hours of duration to each school bus driver employed by the district or under contract with the district.

DESE assumes the provisions in Sections 1 and 2 would result in Unknown costs to local school districts.

**Oversight** assumes the Department of Elementary and Secondary Education (DESE) would require no FTE based upon Truly Agreed To and Finally Passed CCS for SS for SCS for HS for HCS for HB 1463 from the 2004 Session (LR # 2427-15), where DESE requested no FTE to process an estimated 118,718 background checks of pupil-contact individuals. If DESE experiences an increase that would justify additional FTE, they could request funding through the appropriation process.

Officials from the **St. Louis Public Schools** assume the proposal would not fiscally impact their agency.

Officials from the **Department of Transportation (MoDOT)** assume there would be an increase in revenue from the annual examination fees (currently every 3 years) for drivers over 70 years of age. MoDOT also assumes the removal of the \$3 school bus endorsement would

result

ASSUMPTION (continued)

in a decrease in revenue. MoDOT also assumes the language requiring drivers that are 70 years of age or older to pay an annual fee of \$7.50 for a school bus endorsement would result in an increase in revenue.

MoDOT is unable to provide an estimate for these revenue impacts and defer to the Department of Revenue.

Officials from the **Department of Revenue (DOR)** assume the proposal would repeal the DOR requirement to issue school bus permits, transfer the background check process from DOR to the school districts, and provide flexibility in determining driver license fees/expiration date.

DOR will incur Programming costs as follows:

DOR assumes this legislation will require changes and testing for the Over the Counter (OTC) driver license issuance system. Additionally, changes and testing will be required for the systems that support the OTC system. Those supporting systems are the Missouri Driver License (MODL) system, the Central Driver License Information System (CDIS), and the Missouri Transportation Accounting System (MTAS).

DOR assumes this legislation will also require minor changes for the Correspondence Tracking and Generation (CTG) system. Changes to the CTG system would be handled with current resources.

Costs for programming and testing will be incurred through the DOR's existing resources.

DOR will have changes in forms:

This legislation will require changes to the Missouri Driver Guide, the Uniform License Issuance Manual (ULIM), form DOR-4445, and the Department of Revenue web site. Changes to the Missouri Driver Guide would be incorporated at the next reorder point; therefore no cost would be incurred. DOR-4445 would require existing stock to be destroyed and new forms printed, at a cost of \$225. Cost for changes to the ULIM and web site would be minimal, and therefore would be handled with current resources.

DOR also assumes there would not be significant training required, and therefore would be handled with current resources.

RS:LR:OD (12/02)

ASSUMPTION (continued)

§144.025 – Motor Vehicle Licensing

Officials from the **Department of Transportation (MoDOT)** assume the removal of the notarized bill of sale requirement may allow more individuals to take advantage of the sales tax reductions. There would be a decrease in revenue from the reduction of sales tax. MoDOT is unable to provide an estimate for this section. MoDOT will defer to the Department of Revenue to estimate any impact.

Officials from the **Department of Revenue (DOR)** assume this section would simply eliminate the notary requirement on trade-in credit bills-of-sale. This proposal streamlines the process for the citizen and the department. Implementation can be administered with existing resources.

§§301.020, 301.190 – Salvage Vehicles

Officials from the **Department of Revenue (DOR)** assume these sections provide that if an insurance company pays a claim on a salvage vehicle and the insured is retaining ownership of the vehicle, as prior salvage, and the vehicle has sustained only cosmetic damage, and reconstruction or rebuilding is not being made, the vehicle will not be subject to the 551 examination conducted by the Highway Patrol in order to obtain a title. This would require procedural changes and can be implemented with existing resources.

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

In response to a similar proposal from this year (HB 690), officials from the **Department of Public Safety - Missouri Highway Patrol** assume no fiscal impact from this part of the proposal.

§301.025 – Proof of Payment of Personal Property Taxes

Officials from the **Department of Revenue (DOR)** assume this section requires an applicant for registration to show that all taxes have been paid or a statement certified by the county or township collector for such previous year that no taxes were assessed or due and the applicant has no unpaid taxes on the collector's tax roll for any subsequent year. DOR assumes no impact.

ASSUMPTION (continued)

§301.129, 301.130, & 301.290 – Motor Vehicle License Plate Re-Issuance

Officials from the **Department of Transportation (MoDOT)** assume the additional fees to cover the cost of the newly reissued plates in Section 301.130 would go to the Department of Revenue and the Department of Revenue would bear the cost to produce the new plates.

In response to a similar proposal from this year (HCS for HBs 591, 210, 377, 760, & 777), officials from the **Department of Corrections (DOC)** assumed the changes to Sections 301.129 and 301.290 would allow MO Vocational Enterprises to continue in business as usual for two more years.

Officials from the **Department of Revenue (DOR)** assume these sections delay the motor vehicle license plate re-issuance. The advisory group would provide recommendations by January 1, 2008, re-issuance would begin January 1, 2010, and tab changes would be effective January 1, 2011. This will shift the cost of plate re-issuance indicated in the fiscal note for CCR HS SS SCS SB 1233 from the 2004 Session (2561-18T) to fiscal years 2008, 2009, 2010 and 2011. The cost of re-issuance shown in that fiscal note will be increased/decreased based on the increased/decreased cost per plate at the time of re-issuance.

§301.215 – Debtor Notification

Officials from the **Department of Revenue (DOR)** assume the changes would no longer require DOR to notify debtors or any outstanding lienholders of a pending repossessed title application. This would require procedural changes and can be implemented with existing resources.

§301.300 & 301.894 – Titles

Officials with the **Department of Revenue (DOR)** assume this proposal will require procedural changes, notification to dealers and a form modification. DOR assumes it can utilize existing resources to implement this proposal.

§304.022 – Capitol Police

In response to a previous version of this proposal, officials from the **Department of Public Safety - Capitol Police** and the **Jefferson City Police Department** each assumed the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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**POLITICAL SUBDIVISIONS**

<u>Costs</u> – Local School Districts			
Administrative Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This substitute makes several changes with respect to the titling and registration of motor vehicles as well as the licensing of drivers.

CAPITOL POLICE - This act adds Missouri Capitol Police vehicles to the definition of "emergency vehicle" for purposes of yielding the right-of-way (Section 304.022).

CRIMINAL BACKGROUND CHECK BY SCHOOL DISTRICTS RATHER THAN DEPARTMENT OF REVENUE - Under this act, school districts shall be responsible for conducting criminal background checks for school bus drivers. Drivers may continue to operate school busses pending the results of the background check (Section 168.133). The Department of Revenue will no longer be responsible for obtaining criminal background checks or for collecting fingerprints from school bus operators (Section 43.530.2). The act provides that each

DESCRIPTION (continued)

school district shall have on file a statement from a medical examiner which indicates that the driver is physically qualified to operate a school bus for the purpose of transporting pupils. Such statement shall be made on an annual basis. For new drivers, such statement shall be on file prior to the driver's initial operation of a school bus. This provision applies to drivers employed by the school district or under contract with the school district (Section 1). On an annual basis, each school district shall provide training in at least eight hours of duration to each school bus driver employed by the school district or under contract with the school district. Such training shall provide special instruction in school bus driving (Section 2).

**SCHOOL BUS LICENSE ENDORSEMENT** - This act modifies the current law regarding school bus endorsements (Section 302.272). School bus examinations for drivers 70 years of age or older must be completed annually. Out-of-state residents will be exempt from Missouri's school bus endorsement requirements if the person possesses a valid driver's license and a school bus endorsement from their state of residence.

**FEE OFFICE FEES** - This act provides that a fee office may charge a fee of \$2.50 for instruction permits, nondriver licenses, chauffeur licenses and driver's licenses issue for three years or less. A \$5.00 fee may be charged for licenses or instruction permits exceeding three years in length. The current law allows a fee office to impose a \$5.00 fee regardless of the length of term (Section 136.055).

**CREDIT FOR TRADE-IN** - This act provides that the bill of sale that a person must submit to the Department of Revenue to claim a trade-in sales tax exemption does not have to be notarized (Section 144.025).

**PRIOR SALVAGE VEHICLE** - This act provides that if an insurance company pays a claim on a salvage vehicle and the insured is retaining ownership of the vehicle, as prior salvage, the vehicle will not be subject to the in-depth Highway Patrol inspection in order for a title to be obtained (Section 301.020.4 and section 301.190.10). This portion of the act is similar to SB 488 (2005).

**PROOF OF PAYMENT OF PERSONAL PROPERTY TAXES** - This act modifies the provision of law regarding supplying proof that a person has paid his or her personal property taxes. Under this act, an applicant for a motor vehicle registration can supply proof by submitting a statement certified by a county or township collector for the previous year that no taxes were assessed or due and the applicant has no unpaid taxes on the collector's tax roll for any subsequent year (Section 301.025).



DESCRIPTION (continued)

**LICENSE PLATE DESIGN ADVISORY COMMITTEE** - This act changes the date in which the advisory committee to study a new license plate design must meet. Under the current law, the committee must meet prior to April 1, 2006, to develop the new plate and the final design was due by that date. The act establishes a new date of January 1, 2008 (Section 301.129).

**LICENSE PLATE TABS AND LICENSE PLATE REISSUANCE** - The act revises the date in which the Department of Revenue must issue license plate tabs that include information to assure that the tabs correlate with the correct license plates. The current law dictates a date of January 1, 2009, while the act establishes a date of January 1, 2011 (Section 301.130.6). The act also changes the date in which new license plate must be reissued. Under the current law, new license plates were to be reissued between January 1, 2007, and December 31, 2009. The new reissuance period is between January 1, 2010, and December 31, 2012 (Section 301.130.9). Under this act, the department of corrections will no longer erect and maintain tabs beginning January 1, 2011. The current law provides that this task was to end on January 1, 2009 (Section 301.290).

**REPOSSESSED TITLE** - This act modifies the procedure for obtaining a "Reposessed Title". Under the current law, a lienholder must submit an application describing the reposessed vehicle, an affidavit stating that the debtor defaulted and a copy of the security agreement. Under the act, the lienholder does not have to submit a copy of the security agreement, but must state in the affidavit that the lienholder has obtained written consent of all lienholders of record to repossess the vehicle or has provided all lienholders with written notice of the repossession. The lienholder must also give the owner and lienholders 10 days written notice that an application for a reposessed tile will be made. Under the current law, if the application is not accompanied by the written consent of lienholders, the department of revenue will not issue a reposessed title unless the department first gave such parties 10 days notice (Section 301.215).

**MOTOR VEHICLE TRANSACTIONS WITHOUT CONTEMPORANEOUS EXCHANGE OF TITLE** - This act allows a motor vehicle dealer to purchase, or accept as a trade in, and later sell, a motor vehicle without a title from a seller provided certain procedures are followed. Under this act, a vehicle dealer may obtain a duplicate or replacement title in the owner's name if the owner's title has been lost, stolen, mutilated, or destroyed and is not available for assignment. The licensed dealer must procure a power of attorney from the owner authorizing the dealer to obtain a duplicate or replacement title in the owner's name and sign any title assignments on the owner's behalf. The application to the department of revenue for the duplicate or replacement title shall be accompanied by the executed power of attorney, or a copy thereof, and the application shall contain the appropriate mailing address of the dealer. Under current law, only

the lawful holder of the title (owner) may obtain a duplicate or replacement title (section

DESCRIPTION (continued)

301.300). Under this act, a dealer may purchase, or accept as a trade in, a vehicle without a title if the seller provides the dealer the following:

- (1) A signed written contract between the licensed dealer and the owner of the vehicle; and
- (2) Physical delivery of the vehicle to the licensed dealer; and
- (3) A power of attorney from the owner to the licensed dealer, authorizing the licensed dealer to obtain a duplicate or replacement title in the owner's name and sign any title assignments on the owner's behalf.

If these steps are followed, the sale or trade of the vehicle to the dealer shall be consider final.

If a licensed dealer purchases the vehicle from the seller in conformance with this act, the licensed dealer may sell the vehicle prior to receiving and assigning to the purchaser the certificate of title. The sale of the vehicle to the purchaser shall be considered final if:

- (1) All outstanding liens created on the vehicle have been paid in full; and
- (2) The dealer has obtained proof or other evidence from the department of revenue confirming that no outstanding child support liens exist upon the vehicle at the time of sale; and
- (3) The dealer has obtained proof or other evidence from the Department of Revenue confirming that all applicable state sales tax has been satisfied on the sale of the vehicle to the owner; and
- (4) The dealer has signed and submitted an application for duplicate or replacement title for the vehicle.

A licensed dealer shall, within five business days of obtaining a vehicle without a title, apply for a duplicate or replacement title. Upon receipt of a duplicate or replacement title, the dealer shall assign and deliver said certificate of title to the purchaser of the vehicle within five business days.

If the dealer fails to comply with this act, the dealer shall be liable to the purchaser for actual damages, plus court costs and reasonable attorney fees. If the dealer fails to assign and deliver the duplicate or replacement certificate of title to the purchaser, then the purchaser, may deliver

to the director a copy of the contract for sale of the vehicle and a copy of the application provided by the dealer to the purchaser. The director shall give the dealer notice informing the dealer that

DESCRIPTION (continued)

the director intends to cancel any prior certificate of title issued to the dealer on the vehicle and issue to the purchaser a certificate of title in the name of the purchaser, subject to any liens incurred by the purchaser in connection with the purchase of the vehicle, unless the dealer, within 10 business days from the date of the director's notice, files with the director a written objection to the director taking such action. If the dealer does timely file a written objection with the director, then the director shall not take any further action without an order from a court of competent jurisdiction. However, if the dealer does not timely file a written objection with the director, then the director shall cancel the prior certificate of title issued to the dealer on the vehicle and issue a certificate of title to the purchaser or the vehicle, subject to any liens incurred by the purchaser in connection with the purchase of the vehicle.

If a seller fraudulently misrepresents to the dealer that it is the owner of the vehicle, then the seller shall be liable to the dealer or subsequent purchaser for any damages resulting from such misrepresentation. Prior to seeking court costs or attorney fees authorized under this act, the aggrieved party must deliver an itemized written demand of its actual damages to the party from whom damages are sought and the party from whom damages are sought has not satisfied the written demand within 30 days after receipt of the written demand (section 301.894). These provisions are similar to those contained in SCS/SB 253 (2005) and HB 552 (2005).

**DRIVER LICENSE PROVISIONS** - The act reorganizes the language contained in section 302.177 for readability regarding the issuance of six-year and three-year licenses, their respective fees, and that licenses will expire on the applicant's birthday unless licensed for a shorter period due to other requirements of law (Section 302.177). The act clarifies that CDLs issued to 21 to 69 year old individuals shall expire on the 6th year after issuance unless the license must be issued for a shorter period due to other requirements of law or for staggering of work. For individuals under 18, or for those 70 years of age or older, the license shall expire the 3rd year after issuance unless the license must be issued for a shorter period due to other requirements of law (Section 302.735). The act provides that a CDL containing a hazardous materials endorsement issued to a person 70 years of age or older shall not be issued for a period exceeding three years.

**JURISDICTION OF REGIONAL TAXICAB COMMISSION** - This act clarifies the jurisdiction of the regional taxicab commission. Under this act, the regional taxicab commission may exercise jurisdiction over any person who engages in the business of transporting passengers in

commerce, wholly within the regional taxicab district, in any motor vehicle designed or used to transport not more than eight passengers including the driver.

DESCRIPTION (continued)

The jurisdiction of the regional taxicab commission shall not apply to:

- (1) Operators who are required to be licensed, supervised and regulated by the state highways and transportation commission. The regional taxicab commission's jurisdiction shall not extend to motor vehicles transporting passengers within the district in interstate commerce, and those interstate operations are subject to the powers of the state highways and transportation commission;
- (2) Motor vehicles that are operated exclusively by not-for-profit corporations or governmental entities, whose operations within the regional taxicab district are subsidized, wholly or in part, with public transit funding (federal or state);
- (3) Vehicles that transport one or more passengers upon the public highways in a continuous journey from a place of origin within the regional taxicab district to a destination outside the district, or from a place of origin outside the district to a destination within the district, either with or without a return trip to the point of origin.

Every person, partnership or corporation who becomes subject to the jurisdiction of the regional taxicab commission which was previously under the jurisdiction (through permit or certificate) of the state highways and transportation commission is deemed to be licensed, permitted and authorized by the regional taxicab commission, and the vehicles and drivers used by such motor carriers are hereby deemed to be licensed, permitted and authorized by the regional taxicab commission to operate and engage in the transportation of passengers within the regional taxicab district, to the same extent as they were formerly licensed, permitted and authorized by the highways and transportation commission on August 27, 2005. Such motor carriers, drivers and vehicles are exempt from applying for any license, certificate, permit or other credential issued or required by the regional taxicab commission, except that the regional taxicab commission may, after December 31, 2005, require such motor carriers and drivers to apply and pay the regular fees for annual renewals of such licenses, permits, certificates or other credentials, pursuant to uniform requirements applicable to all motor carriers, vehicles and drivers operating within the regional taxicab district (Section 67.1809).

This act contains an emergency clause for the school bus and commercial driver license

provisions.

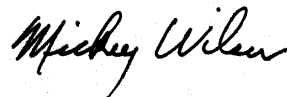
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Transportation  
Department of Corrections  
Department of Revenue  
Department of Public Safety  
Office of the Secretary of State  
St. Louis Public Schools  
Jefferson City Police Department

#### NOT RESPONDING

**Columbia Public Schools, Kansas City Public School Board, Mexico Public Schools, City of St. Louis, St. Louis County**



Mickey Wilson, CPA  
Director  
April 22, 2005