

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0695-01  
Bill No.: HB 408  
Subject: Licenses - Driver's; Motor Vehicles  
Type: Original  
Date: February 23, 2007

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Bill Summary: Raises the fine for failure to wear a safety belt and removes restrictions on mitigation consideration.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>Unknown - Could exceed \$100,000</b>	<b>Unknown - Could exceed \$100,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
State School Moneys Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Offsetting Transfers In and Out are Unknown - Could exceed \$100,000**

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<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>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>Up to \$624,834</b>	<b>Unknown - Less than \$624, 384</b>	<b>Unknown - Less than \$624,384</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Department of Public Safety-Missouri State Highway Patrol, Office of Secretary of State, Office of State Public Defender, Department of Revenue, and the Department of Insurance, Finance, and Professional Regulation** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Office of Prosecution Services (OPS)** assume this proposal would not have a significant direct fiscal impact on county prosecutors or OPS.

According to officials from the Department of Transportation (MoDOT), this proposal would likely have a positive fiscal impact in tort liability, in cases against MoDOT where failure to wear a seat belt by a plaintiff contributed to the plaintiff's injuries as the legislation has no cap on the amount of damages which the trier of fact may impose on the claimant to mitigate for the claimant's failure to wear a seat belt. However, the amount of such fiscal impact is unknown and impossible to predict. **Oversight** assumes the potential of litigation is speculative and therefore assigns no fiscal impact to the Road Fund.

According to officials from the **Department of Elementary and Secondary Education (DES)**, there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DES cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

**Oversight** assumes that as of January, 2007 there were 181 hold harmless school districts; therefore, the full amount of fine collection will not result in an equal savings to General Revenue.

ASSUMPTION (continued)

Officials from the **Office of State Courts Administrator** state that the proposed legislation increases the fine for failure to wear a safety belt from \$10 to a maximum of \$50 and allows the failure to wear a safety belt to be admitted when mitigating damages.

Based on FY 2006 data, this fine would apply to 19,512 seat belt infractions. Based on the maximum \$50 fine amount and an average collection rate of 80%, the fine increase would provide an additional \$624,384 annually.

The fine increase will not impact the budget of the judiciary.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE</b>			
<u>Savings</u> - Savings from reduced appropriations to the State School Moneys Fund resulting from increased fine revenue	\$0	Unknown - Could exceed <u>\$100,000</u>	Unknown - Could exceed <u>\$100,000</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0</b>	<b><u>Unknown - Could exceed \$100,000</u></b>	<b><u>Unknown - Could exceed \$100,000</u></b>

FISCAL IMPACT - State Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

**STATE SCHOOL MONEYS FUND**

Savings - Lower distribution to local school districts from increased local fine revenue

	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
\$0		

Loss - Smaller transfer in from General Revenue resulting from increased fines for failure to wear a safety belt

	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
\$0		

**ESTIMATED NET EFFECT ON  
STATE SCHOOL MONEYS FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

**POLITICAL SUBDIVISIONS**

Revenue - School Districts - Increased fines for failure to wear a safety belt

Up to \$624,384	Up to \$624,384	Up to \$624,384
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Loss - School Districts - Reductions in state funds for school districts that are not hold harmless due to deduction for fine revenue

	(Unknown - Less than \$624,384)	(Unknown - Less than \$624,384)
\$0		

**ESTIMATED NET EFFECT ON  
POLITICAL SUBDIVISIONS**

<u>Up to \$624,384</u>	<u>Unknown - Less than \$624,384</u>	<u>Unknown - Less than \$624,384</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.

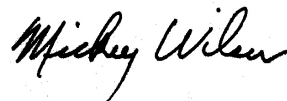
FISCAL DESCRIPTION

This proposal increases the fine for failure to wear a safety belt from \$10 to up to \$50.

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

Office of State Courts Administrator  
Office of Elementary and Secondary Education  
Department of Revenue  
Department of Insurance, Finance, and Professional Regulation  
Department of Transportation  
Department of Public Safety  
    Missouri State Highway Patrol  
Office of Secretary of State  
    Administrative Rules Division  
Office of State Public Defender  
Office of Prosecution Services



Mickey Wilson, CPA  
Director  
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