

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4498-09  
Bill No.: SS for SCS for HB 2111 with SA 1, SA 2, SA 4, SA 5, SA 6 and SA 7  
Subject: Transportation; Transportation Department; Motor Vehicles  
Type: Original  
Date: April 27, 2010

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Bill Summary: Modifies several provisions of law relating to transportation and the regulation of motor vehicles.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
General Revenue	(Unknown greater than \$116,362) to \$785,832	(Unknown greater than \$3,911) to \$943,309	(Unknown greater than \$3,911) to \$943,629
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown greater than \$116,362) to \$785,832</b>	<b>(Unknown greater than \$3,911) to \$943,309</b>	<b>(Unknown greater than \$3,911) to \$943,629</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 39 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
State Highway Fund	(\$1,257,188) to Unknown greater than \$27,281	(\$2,482,784) to Unknown greater than \$32,737	(\$2,482,784) to Unknown greater than \$32,737
Highway Patrol Inspection Fund	(\$597,774)	(\$1,195,548)	(\$1,195,548)
State Road Fund	Unknown greater than \$100,000	(\$1,900,000) to Unknown	Unknown greater than \$100,000
Motor Vehicle Commission Fund	(\$2,617) to Unknown greater than \$975	Unknown greater than \$1,950	Unknown greater than \$1,950
All State Funds	\$66,000	\$66,000	\$66,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown greater than \$1,857,579) to Unknown greater than \$194,256</b>	<b>(Unknown greater than \$4,382,784) to Unknown greater than \$100,687</b>	<b>(Unknown greater than \$3,678,332) to Unknown greater than \$200,687</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</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 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>(Unknown greater than \$13,162) to Unknown greater than \$9,094</b>	<b>(Unknown greater than \$15,795) to Unknown greater than \$10,913</b>	<b>(Unknown greater than \$15,795) to Unknown greater than \$10,913</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 226.195 Missouri State Transit Assistance Program

Officials at the **Missouri Department of Transportation** and the **Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

Officials at the **City of Kansas City** assume a positive impact on the City if the state chooses to fund transportation projects within the City.

Officials at the City of St. Louis and the Kansas City Transportation Authority did not respond to **Oversight's** request for fiscal impact.

**Oversight** assumes MoDOT is given the authority to create a state transit assistance program that can accept funds from the federal government. Should MoDOT pursue federal funding it is assumed all money received will be spent in accordance with the legislation. **Oversight** is showing no fiscal impact.

#### Section 226.095 Repealed

Officials at the **Missouri Department of Transportation** assume the bill repeals this section, which authorizes a claimant to require MHTC to submit to mandatory binding arbitration in any tort liability claim without MHTC's consent. No other Missouri state agency is subject to such a provision and neither is any other state department of transportation in the country. Deleting mandatory binding arbitration against MHTC will give MHTC its day in court. It would also allow MHTC to obtain pre-hearing discovery of the claimant's case, and will provide MHTC with all other procedural and legal protections afforded trial litigants, including the right to appeal (which is not available in mandatory binding arbitration).

Repealing this provision will result in a cost savings to MoDOT, although the exact amount of cost savings is currently unknown. In 2000, MHTC's total tort costs captured amounted to approximately \$4 million. In 2009, MHTC's total tort costs captured amounted to approximately \$11.9 million, an increase of nearly \$8 million.

**Oversight** has shown the savings to the State Road Fund as unknown greater than \$100,000.

#### Section 227.313 Road Designation

Officials at the **Missouri Department of Transportation** assume no fiscal impact as this proposal states the signs will be paid for by private donations.

ASSUMPTION (continued)

Section 230.220 County Highway Commission Compensation

Officials from the **Missouri Department of Transportation** assume there will be no fiscal impact to their agency.

**Oversight** assumes no state fiscal impact.

**Oversight** assumes this proposal changes the compensation for members of the county highway commission who are not also members of the county's governing body to an amount per meeting as established by the county's governing body and mileage allowance for those members will be the same amount per mile received by the members of the county's governing body. Oversight assumes this proposal will also eliminate any compensation to members of the commission who are also members of the county's governing body. Therefore, Oversight assumes this proposal is discretionary, adds no new expenditure of funds and would have no local fiscal impact.

Section 301.002

**Oversight** assume that there is no fiscal impact from this proposal.

Section 301.032 Fleet Vehicle License Plates

Officials at the **Department of Revenue** assume this allows a fleet owner with at least 50 motor vehicles to get fleet plates bearing the company name or logo. This process has not been fully realized and therefore no statistical impact is being shown for the change. Any costs encumbered by this process will be absorbed with existing resources.

Section 301.069 Driveaway License Plates

Officials at the **Department of Revenue** assume this provides that DOR is not to issue drive away plates unless the applicant makes application for the plate that requires specific information. DOR will have to capture and record additional information from Drive Away Plate applicants. This may be accomplished by adding additional required information in the note field of IMVDL until a replacement system is developed. Any costs encumbered by this process will be absorbed with existing resources.

Sections 301.064, 301.120, 301.130 and 301.144 One Plate Issuance and Property- Carrying Commercial Motor Vehicle

**One Plate**

Officials from the **Department of Revenue (DOR)** assume beginning August 28, 2010 this proposal requires DOR to issue one license plate and tab when an individual registers a motor

ASSUMPTION (continued)

vehicle. Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11. The DOR website will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11. DOR estimated total cost for FTE in FY 11 to be \$1,023

**Oversight** assumes DOR could absorb the minimal costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Contract offices may have difficulty housing and storing the amount of front license plates that are required to be surrendered at renewal due to a limited amount of storage space available.

Missouri Vocational Enterprises indicated that the cost of plates (stock and personalized/specialty) and tabs is influenced by the cost of raw materials, thus if the cost of raw materials goes up, then the cost of plates and tabs will increase further.

Cost reductions for the re-issuance period were shown in last year's response for both stock, personalized plates, and tabs. However, the re-issuance period for stock Missouri license plates ends June 30, 2010; therefore, no impact is shown for re-issuance of stock plates.

Officials at the **OA-ITSD (DOR)** planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the department's driver license systems, changes cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$16,960 based on 640 FTE hours.

OA-ITSD (DOR) would need to update TRIPS to allow for the issuance of a second plate to commercial motor vehicles in excess of 12,000 lbs as well as charge the \$15 for that second plate.

**Oversight** assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Based on the one license plate one tab concept DOR's core budget may be reduced due to the passage of this proposal.

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ASSUMPTION (continued)

**License Plate/Tab Revenue Loss:**

*Embossed Plates*

- DOR currently has 1,983,646 embossed plates in stock at contract offices across the state and in storage.
- DOR has paid \$1.43 per plate for these plates at a cost of \$2,836,614.
- Due to this proposal, DOR would need to eliminate 991,823 of these plates at a loss of \$1,418,307 that DOR has already paid and will not recoup.
- DOR will not recoup this money due to the registration fees that are collected upon issuance of the plates being distributed to the Highway Fund.

*Flat Specialty Plates (specialty plates that are not personalized)*

- DOR currently has 44,304 flat specialty plates in stock at contract offices across the state and in storage.
- The Department has paid \$4.25 per plate for these plates at a cost of \$188,292.
- Due to this proposal, DOR would need to eliminate 22,152 of these plates at a loss of \$94,146 that DOR has already paid and will not recoup.
- DOR will not recoup this money due to the registration fees that are collected upon issuance of the plates being distributed to the Highway Fund.

*Tabs*

- DOR currently has 1,836,730 tabs in stock at license offices throughout the state and in storage. 918,365 of the 1,836,730 physical tabs would no longer be needed.
- DOR has paid \$0.14 per set of tabs at a cost of \$128,571.
- As a result of this proposal DOR would lose \$64,826 DOR has already paid for the tabs to be produced and will not recoup this cost.
- DOR will not recoup this money due to the registration fees that are collected upon issuance of the plates being distributed to the Highway Fund.

**Total License Plate Revenue Loss: \$1,577,279**

ASSUMPTION (continued)

**Oversight** assumes the costs incurred with the production of plates/tabs have already been incurred with no expectation of reimbursement. For fiscal note purposes only, **Oversight** will show no loss for existing plates/tabs in stock.

Note: Missouri Vocational Enterprises indicated there will be no additional costs for the destruction of those extra plates.

License Plate Cost Reduction:

*Stock Plates (Embossed Plates)*

- Currently, DOR pays \$1.43 per stock license plates (reflected in the calculations for savings as current price).
- Missouri Vocational Enterprises estimates that costs for a single license plate will be \$1.91 upon passage of this legislation.
- DOR currently issues one plate for commercial motor vehicles licensed in excess of 12,000 lbs, cycles, and trailers. An average of 317,479 of these single plates are issued annually. The costs for these plates will increase to the new rate (\$1.91 per plate) due to the change from two plates to one plate for all motor vehicles.
- DOR issues 2,327,278 plates at a cost of \$3,328,008 annually. This legislation will result in a reduction of 1,004,900 plates issued to a total of 1,322,379 plates issued annually.

The cost reduction is as follows:

Now- \$1.43 per plate x 2,327,278 total plates= \$3,328,008

New- \$1.91 per plate x 1,322,379 total plates= \$2,525,744

DOR projected total cost reduction \$802,264

*Specialty Stock Plates (specialty plates that are not personalized)*

- Currently, DOR pays \$4.75 per flat plate. Even though the volume of flat plates ordered pursuant to this proposal will decrease by one half, Missouri Vocational Enterprises has indicated that there will be no further increase to the specialty stock plate cost due to this proposal.
- DOR issues an average of 6,256 specialty stock flat plates annually (flat plates that are currently issued as singles are not being shown as there are no cost changes involved).

ASSUMPTION (continued)

- Issuing one plate for new specialty stock plate registrations would reduce the total amount of flat plates currently ordered. In FY 09 there were 6,256 specialty stock flat plates ordered at a cost of \$29,716. This proposal would reduce that number to 3,128 specialty stock flat plates annually.

The cost reduction is as follows:

Now- \$4.75 per plate x 6,256 total flat plates=	\$29,716
New- \$4.75 per plate x 3,128 total flat plates=	<u>\$14,858</u>
DOR projected total cost reduction	\$14,858

*Tabs*

- Currently DOR pays \$.14 per set of tabs and \$.085 per single tab. Even though the volume tabs ordered pursuant to this proposal will decrease, Missouri Vocational Enterprises has indicated that there will be **no** further increase to the tab cost due to this proposal.
- DOR orders on average 3,182,222 sets of tabs (6,364,444 total physical tabs), plus 700,099 single year tabs for commercial motor vehicles licensed in excess of 12,000 lbs, cycles, and trailers which are currently issued only one plate. This makes a total of 7,064,543 physical tabs that were ordered.
- This legislation will result in a reduction of 3,182,222 tabs ordered to a total of 3,882,321 tabs issued annually.

The cost reduction is as follows:

Now- \$.14 per set of tabs x 3,182,222 sets of tabs=	\$445,511
New- \$.085 per tab x 3,882,321 total tabs=	<u>\$329,997</u>
DOR projected total cost reduction	\$115,514

Officials at the **Department of Corrections** assume Missouri Vocational Enterprises (MVE), is a self-sustaining entity, operates to provide jobs and training opportunities for offenders incarcerated in the DOC. The License Plate Factory (or Tag Plant) has provided plates for Missourians via the DOR for many years. Less than half of the classes of plates that are currently issued contain a two-plate set. Manufacturing costs for one plate will be greater on a per-plate basis than for two plates. Although MVE will recognize a reduction in raw material requirements, the manufacturing process will not be changed and the amount of equipment will remain the same. Staffing will not decrease and deliveries will still be necessary to the 184 DOR fee offices. The overall costs will reduce from \$2.86 for a set of two plates to approximately \$2.00 for one plate. MVE is reimbursed by DOR for manufacturing costs and operates using the

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ASSUMPTION (continued)

Working Capital Revolving Fund, not GR. The potential fiscal impact is Unknown for WCRF.

**Oversight** assumes no impact to the Working Capital Revolving Fund as DOR reimburses the Fund for all costs of the production of plates. Fewer plates less expenses.

**Commercial - 2<sup>nd</sup> plate 130.130.3**

DOR assumes the second plate will be ordered at the time of application if requested by the customer. The applicant will then be given one plate to use until the other plate is manufactured. The second plate will have a number 2 embossed on the plate to prohibit misuse of the plate.

There are currently 273,469 registered commercial motor vehicles in excess of 12,000 lbs. DOR assumes that 1%, or 2,735, of these registrants will want the second plate. The cost to the DOR for the second plate is \$1.43 with an overall cost to General Revenue of \$3,259 in FY 11, \$3,911 in FY 12, and \$3,911 in FY 13.

By allowing property-carrying commercial motor vehicle owners the ability to obtain two license plates instead of one and by charging \$15 for that plate there will be an increase in revenue to the Highway Fund of \$34,175 annually that is constitutionally distributed as follows:

	<u>FY 11</u>	<u>FY12 &amp; 13</u>
75% - Highway Fund	\$25,631	\$30,757
15% - Cities	\$5,126	\$6,151
10% - Counties	\$3,418	\$4,102

Officials at the **Missouri Highway Patrol** anticipates no fiscal impact. However, the Patrol has made the following assumptions:

The current vehicle registration system of both front and rear license plates enhances law enforcement's ability to enforce registration statutes. The purchase of vehicle registration plates improves the collection of personal property taxes. It also requires that proof of insurance is verified. Any change which could reduce an officer's ability to detect a violation by 50% would have a negative impact on personal property tax collection, mandatory insurance compliance, as well as the collection of license fees. License plate numbers are often critical in identifying suspects in all types of criminal investigations. A proposed change from two plates to one would also reduce the ability of witnesses, as well as law enforcement, to get a suspect's license number by 50%.

ASSUMPTION (continued)

This proposed legislation would appear to have a negative impact to counties, in addition to the Highway Fund, because license fee collections would be reduced due to the loss of enforcement capabilities as less tickets would be written for expired plates. In addition, with less incentive to renew plates, the revenue generated from renewals would be decreased.

**Oversight** assumes the negative impact outlined by the MHP is speculative and, for fiscal not purposes only, assigns no fiscal impact.

Section 301.196 Salvage Title

Officials at the **Department of Revenue** assume costs encumbered by this process will be absorbed with existing staff.

Section 301.218 Transportation Definitions

Officials at the **Department of Revenue** assume this deletes "mobile scrap processor" to "scrap processor" for licensing purposes. DOR assumes this will increase these types of licenses by 30 applicants annually. A salvage business license costs \$65 with an increase to the Motor Vehicle Commission Fund of \$975 in FY 11 (6 months), \$1,950 in FY 12 and FY 13.

Section 301.561 Public Motor Vehicle Auctions

Officials at the **Department of Revenue** assume that procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11. Additionally, the dealer licensing manual will need to be updated by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11. The Department's web site will need to be updated to include the update. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11. Total cost for FTE in FY 11: \$1,828.

**Oversight** assumes DOR could absorb the minimal costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Section 301.2998 and 301.3150 Specialty License Plates

Officials from the **Department of Revenue (DOR)** state there will be no change in their processes as the language in the proposal is permissive. DOR would continue the same process if specialty plate types are determined to be discontinued since after a five year period a specialty plate already can be voided for no applications received.

ASSUMPTION (continued)

If the DOR elects to discontinue accepting applications based on the criteria presented in this proposal, there could be a potential decrease in revenue from the \$15 specialty plate fee (if required in the statute authorizing the plate) for each type of plate that is discontinued.

There are currently 117 specialty plate types that could potentially be discontinued per this proposal with a per year average of 36 total new applicants per specialty plate type. Assuming 36 new applicants per year and 117 plate types there would be a loss of \$63,180 ( $36 \times 117 = 4,212 \times \$15 = \$63,180$ ) each year from the \$15 specialty plate fee that would be distributed as follows:

	<u>FY 11 (10 months)</u>	<u>FY 12</u>	<u>FY 13</u>
75% Highway Fund	\$39,488	\$47,385	\$47,385
15% Cities	\$ 7,898	\$ 9,477	\$ 9,477
10% Counties	\$ 5,264	\$ 6,318	\$ 6,318

**DOR** officials note that many of the plate types that could potentially be discontinued may receive less than 36 applications per year, some even zero, which results in a lesser number than what is shown in the statistics for this fiscal note. The DOR assumption is based on an average of all plate types subject to being discontinued and is not a factual representation of the total number of applications received for a specific plate type per year.

Plate manufacturing savings:

- For every new specialty plate application received DOR orders either a set of specialty plates at the time of application or a single specialty plate at the time of application.
- DOR pays \$4.25 per set of plates ordered and \$2.78 for a single plate.
- Based on the average of 36 applications per year for the 117 specialty plate types that could be discontinued there would be 4,212 registrations per year that would not need to be ordered.
- Assuming 35%, or 1,474, of those plates, currently ordered as single plates for trucks, would not need to be ordered it would result in savings to General Revenue of \$3,415 in FY 11 (10 months), \$4,221 in FY 12, and \$4,347 in FY 13.
- Assuming 65%, or 2,738, of those plates currently ordered as sets of plates for passenger motor vehicles, would not need to be ordered it would result in savings to General Revenue of \$5,220 in FY 11 (10 months), \$6,452 in FY 12, and \$6,646 in FY 13.

	<u>FY11 (10 months)</u>	<u>FY12</u>	<u>FY13</u>
Total Specialty plate manufacturing savings	\$8,635	\$10,673	\$10,993

ASSUMPTION (continued)

Sections 301.477 Combat Action Badge Plate, 301.3158 Legion of Merit Plate, 301.3160 National Multiple Sclerosis Society Plate

Officials at the **Department of Revenue** (DOR) assume the following administrative and set up costs for all three new plates:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 200 hours of overtime at a cost of \$4,025 in FY 11.
- The Application for Missouri Military Personalized License Plates (DOR-4601) will need to be revised to include all three new plate type. This will require 200 hours of overtime for a Management Analyst Specialist I, at a cost of \$4,025 in FY 11.
- The DOR web site will need to be updated to include the three new plate type. This will require 50 hours of overtime for an Administrative Analyst III, at a cost of \$1,090 in FY 11.

**Total cost for FTE in FY 11 is \$9,140**

DOR is charged \$279 for the initial set-up of the three new specialty plate for passenger, truck, and RV as well as an additional charge of \$92 each to include disabled and motorcycle plates, for a total of \$368 for the initial set-up. This is a one-time fee that will be charged upon passage of this bill in FY 11.

Currently, it costs DOR \$4.75 per plate, \$9.50 per set of plates, for manufacturing flat plates through Missouri Vocational Enterprises. The number of applicants who will wish to obtain these plates is unknown. DOR is assuming 100 applicants for each plate in FY 11 at a cost to DOR of \$950 in FY 11.

**Total cost for plate set-up and manufacturing: FY 11 \$3,963**

Officials at the **Information Technology - OA-ITSD** (DOR) assume the Title and Registration Intranet Processing System (TRIPS) plate table would need to be updated to reflect the new specialty plate types. This function requires minimal programming and will be absorbed by existing staff.

*Combat Action Badge License Plate* - The number of applicants who will wish to obtain this plate is unknown. For each 100 Combat Action Badge specialty plate applications received, there will be an increase in revenue each year of \$1,500 (\$15x 100) that would be constitutionally distributed as follows;

	<b>FY 11 (10 Months)</b>	<b>FY12</b>	<b>FY13</b>
75%-Highway Fund-	\$938	\$1,125	\$1,125
15%- Cities-	\$188	\$225	\$225
10%- Counties-	\$124	\$150	\$150

ASSUMPTION (continued)

*Legion of Merit Medal License Plate* - The number of applicants who will wish to obtain this plate is unknown. DOR is assuming 100 applicants in FY 2011 at a cost to DOR of \$950 in FY 2011.

DOR states that the Missouri Veterans Commission has made repeated attempts to obtain information on the number of Missouri recipients of the “Legion of Merit” award from the Department of Defense and have been unsuccessful. The number of applicants who will wish to obtain this plate is unknown. However, for each 100 specialty plate applications received, there will be an increase in revenue each year of \$1,500 (\$15x 100) from the \$15 specialty plate fee that would be constitutionally distributed as follows:

	<b>FY 11(10 Months)</b>	<b>FY12</b>	<b>FY13</b>
75%-Highway Fund-	\$938	\$1,125	\$1,125
15%- Cities-	\$188	\$225	\$225
10%- Counties-	\$124	\$150	\$150

It is unknown how many applicants there will be during the scope of this fiscal note. Military specialty plates do not have a required number of applications before the plate can be produced.

*National Multiple Sclerosis Society License Plate* - The number of applicants who will wish to obtain this plate is unknown. However, for each 100 National Multiple Sclerosis Society specialty plate applications received, there will be an increase in revenue each year of \$2,500 as a result of the \$25 specialty plate fee that is constitutionally distributed below.

	<b>FY 11(10 Months)</b>	<b>FY12</b>	<b>FY13</b>
75%-Highway Fund-	\$1,562	\$1,875	\$1,875
15%- Cities-	\$312	\$375	\$375
10%- Counties-	\$208	\$250	\$250

**Oversight** assumes that before this specialty plate is produced and DOR would incur the associated costs, there must be at least 200 applicants committed to purchase the plate. It is unknown if there will be the required number of applicants during the scope of this fiscal note. For fiscal note purposes only, **Oversight** will estimate revenue as: \$0 to Less than \$100,000. **Oversight** will also estimate cost to General Revenue as: \$0 to (Less than \$100,000).

ASSUMPTION (continued)

Section 302.183

In response to similar legislation filed this year, HB 2161, the following responded:

Officials from the **Department of Transportation, Office of the State Courts Administrator and Department of Public Safety - Missouri State Highway Patrol and Office of the Director** state there will be no fiscal impact on their respective agencies.

Officials from the **Department of Revenue** state this proposed legislation will have no fiscal impact on their agency. They further stated that they currently follow requirements of Missouri law and the Federal Driver Privacy Protection Act.

**Officials from the Office of Prosecution Services (OPS) did not respond to a request for fiscal note.** In the introduced version of the proposal, OPS assumed no fiscal impact. For fiscal note purposes only, **Oversight** will assume no fiscal impact to OPS.

Section 301.4020 ATV Titles

Officials at the **Department of Revenue** assume procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 2011. The Department's web site will need to be updated to include the new requirements. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 2011. Total cost for FTE in FY 2011: \$1,023

**Oversight** assumes that the updates to the Department's procedure manual and website could be handled by existing staff.

Sections 303.025.1 and 303.080 Nonresident Financial Responsibility

Officials at the **Department of Revenue** assume this proposal requires nonresident vehicle owners to maintain financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence.

DLB staff will be required to research the laws of each state to determine the limits of liability and acceptable proof of financial responsibility of each state. This will be required on compliance documents received from nonresidents involved in a motor vehicle accident. The new compliance procedures and training materials will be researched and developed by the Revenue Section Supervisor using 40 hours of overtime. Revenue Section Supv – 40 hours @ \$20 per hr. = \$800.

ASSUMPTION (continued)

Modifications to MODL programs and suspension notices will require DLB staff to complete the program design, internal testing and implementation phases. DLB estimates this will require a total of one month of overtime estimated to cost \$9,096. Updating DOR's website, procedure manuals and the Missouri Driver Guide will be completed by one Administrative Analyst III during regular business hours.

The proposal increases the number of mandatory insurance suspension notices generated by 399, according to the FY09 number of uninsured nonresidents. Assuming 33% of those would be reinstated, an additional 132 reinstatement notices will generate. DLB will incur costs for printing of suspension notices and reinstatement notices, as well as the expenses for envelopes and postage. Costs are estimated to be \$226 in FY 2011, \$271 in FY 2012 and FY 2013. If volumes of accident reports increase as a result of this legislation, additional FTE will need to be hired.

Using the same number to determine the number of additional mandatory insurance suspensions for the next fiscal year, assuming these were first offenses carrying a \$20 reinstatement fee, and assuming 33% of those would be reinstated ( $399 \times 33\% = 132$ ), this will generate an additional \$2,640 in reinstatement fees collected ( $132 \times \$20 = \$2,640$ ).

The above revenue increases generate from reinstatement fees. They will be disbursed as follows: 75% Highway Fund, 15% Cities and 10% Counties.

	<u>FY 11</u>	<u>FY12 &amp; 13</u>
75% - Highway Fund	\$1,650	\$1,980
15% - Cities	\$ 330	\$ 396
10% - Counties	\$ 220	\$ 264

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Section 301.560 Trailer Dealers

Officials at the **Department of Revenue** state this proposal will require DOR to update policies/procedures, forms, the dealer manual, and web instructions. These costs would be absorbed with existing resources.

ASSUMPTION (continued)

Section 301.580 Special Event Motor Vehicle Auction Licenses

Officials at the **Department of Revenue** assume procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11. In addition, DOR will need to develop an application for the special event motor vehicle auction license and a form to report all vehicles included in the auction. These forms will be in electronic format. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 11.

The DOR web site will need to be updated to include the new information relating to this proposal which will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.

Currently, a Revenue Processing Tech I can process 6 dealer applications per hour and 50 dealer reports that the Department receives in paper form per hour. It is unknown how many of these special motor vehicle auction licenses will be applied for per year, therefore DOR may need to request through the appropriations process additional FTE or overtime to process the applications for a special motor vehicle auction license as well as process and key the reports submitted for all vehicles taken to the auction.

FY 11 total administrative cost: **\$1,828**

**Oversight** assumes the administrative costs associated with a limited number of licenses issued would be minimal and would not create a significant impact on the DOR resources and budget. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriations process.

**OA-ITSD (DOR)** will need to configure the legacy dealer system to account for these special auction permits and incorporate those requirements into the new dealer system.

DOR would have to issue and track the special auction license and the customer information as well as process payments and issue receipts; therefore, the Title and Registration Information Processing System (TRIPS) system will need to be revised.

The legacy dealer system as well as the new dealer system would need to be configured to allow for the recording of the report to be submitted for every vehicle sold or not sold at the auction at the special event motor vehicle auction.

Programming will be completed with existing staff.

JH:LR:OD

ASSUMPTION (continued)

DOR assumes there will be an unknown increase to the Motor Vehicle Commission Fund due to the \$1,000 special event motor vehicle auction license fee. DOR assumes there could also be an unknown increase to the Motor Vehicle Commission Fund from the \$500 administrative fee for every vehicle auctioned in violation of §301.580.6 of the proposal.

**Oversight** assumes the income resulting from license fees is minimal and income from violations is speculative. For fiscal note purposes only, **Oversight** will show income to be less than \$100,000 for the Motor Vehicle Commission Fund for this section.

Section 304.820 Text Messaging Ban

In response to similar legislation filed this year, HB 1721, the following responded:

Officials from the **Missouri Department of Transportation, Missouri State Highway Patrol** and the **Office of the State Public Defender** assume the proposal would have no fiscal impact on their agencies.

In response to a similar proposal from the current session (SB 701, LR # 3228-01), officials from the Office of Prosecution Services assumed the proposal would have no measurable fiscal impact the Office of Prosecution Services or county prosecutors.

Officials from the **Department of Revenue (DOR)** assume this legislation removes the 21 and under age limitation which will result in an unknown increase in the number of convictions for driving while texting.

The proposal would administratively impact the DOR's Driver License Bureau. DOR states there are no statistics available to determine how many additional convictions the DOR may be required to process; however, one FTE can process 320 convictions per day. The DOR assumes that a minimum of 1 FTE will be needed to process the additional convictions resulting from this violation. If the volume of convictions received for processing exceeds 320 per day, then additional FTE will be required and will be requested through the appropriation process.

There are no statistics available to determine the volume of phone calls that may be received; however, currently a Telephone Information Operator is required to handle 100 calls per day. The DOR assumes that a minimum of 1 FTE will be needed to answer the additional phone calls. If the calls received for texting while driving exceeds 100 calls per day, then additional FTE will be required and will be requested through the appropriation process.

ASSUMPTION (continued)

The DOR is unable to determine how many convictions will be received for texting while driving and, therefore, is unable to determine the forms and postage costs for issuing the suspension/revocation notices.

DOR assumes the following costs:

1 FTE Revenue Processing Tech (at \$25,380 per year) to process additional convictions for texting while driving and 1 FTE Telephone Information Operator (at \$25,380 per year) to answer telephone calls related to texting while driving. Postage and forms costs are unknown. DOR estimates the total cost to be approximately \$78,000 in FY 11, \$83,000 in FY 12, and \$85,000 in FY 13.

Personnel costs for the Personnel Services Bureau for updating of DLB related forms, procedures and manuals and updating of website information related to texting while driving convictions. Two Management Analysis Specialist I at 40 hours @ \$20 = \$800 x 2 = \$1,600. One Administrative Analyst III at 10 hours @ \$22 = \$220.

DOR assumes the proposal would also have a revenue impact of an unknown amount in the form of Reinstatement Fees Collected. Fees collected will be distributed, 75% highway fund, 15% cities, and 10% counties.

**Oversight** received information from the Missouri State Highway Patrol (MHP) that, as of January 12, 2010, the MHP had written 14 tickets for drivers twenty-one years of age or younger text messaging while driving since the statute went into effect on August 28, 2009.

**Oversight** received information that, as of January 14, 2010, the Department of Revenue (DOR) processed eight convictions for drivers twenty-one years of age or younger text messaging while driving since the statute went into effect on August 28, 2009.

**Oversight** assumes, based on the information received from the Missouri State Highway Patrol and the Department of Revenue (DOR), that the number of convictions resulting from prohibiting all drivers, regardless of age, from text messaging while operating motor vehicles would not be excessive. Oversight assumes DOR could absorb any increase in work load resulting from the proposal within existing resources. If the DOR experiences an increase that would require additional funding, the DOR could request the funding through the appropriation process.

ASSUMPTION (continued)

**Oversight** assumes any revenue impact would be minimal, and reflects no change to Total State Revenue as a result of the proposal.

Senate Amendment 1

In response to similar legislation filed this year, SB 1029, the following responded:

Officials from the **Department of Transportation (MoDOT)** and the **Department of Public Safety - Highway Patrol** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety - Director's Office (DPS)** assume that the costs to General Revenue from this proposal are unknown, but could exceed \$100,000.

According to information obtained from the Department of Transportation, Missouri has 27,000 'centerline' miles of secondary roads. Because DPS does not have the in-house resources to conduct a study of this magnitude, DPS would likely work with the Office of Administration on a request for proposal that would allow bidders to provide bids on such a survey. DPS would work with the contractor, as well as the Missouri State Highway Patrol and the Missouri Department of Transportation to provide any underlying data to the contractor undergoing the study.

The legislation sets a deadline of February 1, 2011 for the study to be completed and a report issued to the General Assembly and MoDOT. Due to these time constraints, it may be difficult for DPS to complete the RFP process and submit the report by this date.

Senate Amendment 2

**Oversight** assumes that these systems are currently being used by local governments and therefore would have no fiscal impact on the state. Oversight assumes an unknown loss in revenue to the local governments that are currently using these systems. Oversight will show the loss to the locals as unknown.

Senate Amendment 4

**Oversight** assumes no impact from this proposal as the bill states the signs will be paid for by private donation.

Senate Amendment 5

Officials at the **Missouri Highway Patrol** assume the law has been changed effective January 1, 2010 (and new cars are exempted for the first 5 years), some of the savings initially attributed will actually already be occurring because of this change in the law. The change in the law will

ASSUMPTION (continued)

account for an estimated \$900,000 per year in savings (600,000 new cars being exempted per year x \$1.50 sticker fee per car). This would equate to \$300,000 in the HP Inspection Fund and \$600,000 in Highway Funds.

During the 2009 calendar year, the MVI Division received \$42,830 from permit fees, \$1,474 from signs and \$4,486,643 from inspection sticker sales. The fee for safety inspection stickers is \$1.50 each. For each sticker sold, one dollar (or 2/3) is deposited in the Highway Fund and fifty cents (or 1/3) is deposited in the Highway Patrol Inspection Fund. Revenue from permit fees and signs is deposited into the Highway Fund.

Highway Fund revenue for calendar year 2009:

$\$42,830$  (permit fees) +  $\$1,474$  (signs) +  $\$2,991,095$  ( $\$4,486,643 \times 2/3$  of the stickers) =  $\$3,035,399$

Highway Patrol Inspection Fund revenue for calendar year 2009:

$\$1,495,548$  ( $\$4,486,643 \times 1/3$  of the stickers)

If enacted January 1, 2011 (half a fiscal year), and assuming no decline in sales, the projected loss in revenue for FY11 would be approximately:

Highway Fund:

$\$3,035,399 / 2 = \$1,517,700$  -  $\$300,000$  half year impact from the law change =  $\$1,217,700$

Highway Patrol Inspection Fund:

$\$1,495,548 / 2 = \$747,774$  -  $\$150,000$  half year impact from the law change =  $\$597,774$

Projected loss in revenue for FY12 and FY13:

Highway Fund:

$\$3,035,399$  -  $\$600,000$  full year impact from the law change =  $\$2,435,399$

Highway Patrol Inspection Fund:

$\$1,495,548$  -  $\$300,000$  full year impact from the law change =  $\$1,195,548$

Officials at the **Missouri Department of Transportation** (MoDOT) assume MoDOT receives \$1 of the \$12 inspection fee and this \$1 generates approximately \$3 million/year which is deposited into the Highway Fund. So, MoDOT would lose approximately \$3 million per year from the Highway Fund.

ASSUMPTION (continued)

The Highway Patrol Inspection Fund receives 50 cents of the \$12 inspection fee to pay for the cost of the stickers issued. The money that is not used for the cost of the stickers is transferred to MoDOT biennially, so every other year we would lose approximately \$2 million out of the Road Fund.

Officials at the **Department of Revenue (DOR)** assume DOR's response to a proposal similar to or identical to this one in a previous session indicated DOR planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within DOR's motor vehicle legacy systems, changes cannot be made without significant impact to DOR's resources and budget. Therefore, the fiscal impact is:

Administrative Impact of the Motor Vehicle Bureau:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- The titling manual will need to be revised to include the change. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 11.
- DOR's web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.

**Total cost for FTE in FY 11: \$1,828**

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR would notify 5,183 dealers about the elimination of the safety inspection at a cost to the Motor Vehicle Commission Fund of \$2,617 in FY 11.

Officials at the Information Technology - OA-ITSD (DOR) DOR's response to a proposal similar to or identical to this one in a previous session indicated the department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the department's driver license and motor vehicle legacy systems, changes cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$20,670.

The value of the level of effort is calculated on 780 FTE hours. Motor Vehicle - 300 hours and Driver License - 480 hours.

ASSUMPTION (continued)

System Modifications:

ITSD will need to revise the renewal print program to note the elimination of safety inspections and have the renewal print program revised to exempt vehicles from a safety inspection. Title Registration Intranet Processing and the MORE system will need to be revised to eliminate references to the safety inspection.

**Oversight** assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Revenue Impact

With the elimination of the safety inspection requirements for all motor vehicles it could potentially lead to an unknown increase in the number of motor vehicles that are registered, resulting in an unknown increase in revenue to the Highway Fund, cities, and counties.

Officials at the **Department of Natural Resources** assume that the current cost of bi-annual inspections to be approximately \$4,400. This is based upon a fleet size of 727 vehicles receiving inspections bi-annually at a cost of \$12 per inspection ( $727/2 * \$12 = \$4,362$ ). The statutorily mandated maximum fee of \$12 per inspection is proposed to be deleted. Therefore the department assumes that if vehicle inspections continue, the department will be required to pay the market service rate.

The department assumes that either the department's or the state's vehicle policy would be revised to address whether state vehicles would be required to have periodic inspections. Should the approved revised policy mandate that vehicle inspections continue bi-annually, the department estimates it would cost the department \$9,518, determined by assuming that a typical inspection takes 30 minutes at an hourly service rate of \$77 (based upon the January 2010 survey of OA garage rates) on one-half of the department's vehicle fleet of 727 vehicles ( $727/2 * \$77 * .50 = \$13,995$  less \$4,400 = \$9,595). The department assumes this could be absorbed through existing appropriations and cash balances.

Officials at the Office of Administration assume the current policy regarding the state fleet is to follow state statute. If this amendment eliminates the state inspections then a savings will occur to the state from the inspections no longer being required. There are currently 11,000 state vehicles.

ASSUMPTION (continued)

**Oversight** assumes that numerous state funds will see savings from no longer needing to pay for inspections of state vehicles. At this time it is not possible to determine how much will be saved by each individual fund. For the purpose of this fiscal note, **Oversight** has shown the impact to All State Funds.

Senate Amendment 6

In response to similar legislation filed this year, SB 637, the following responded:

Officials from the **Department of Transportation, Department of Revenue, Department of Public Safety – Director’s Office, – Missouri State Highway Patrol, City of Centralia, Johnson County, St. Joseph Police Department, and St. Louis County** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Office of Prosecution Services** assume the proposal would have no measurable fiscal impact the Office of Prosecution Services or county prosecutors.

**Oversight** assumes political subdivisions currently using automated photo red light enforcement systems could experience a loss in revenues from fines as a result of the proposal, as they would be prohibited from using such systems to enforce red light violations. Oversight assumes the losses to be Unknown.

Officials from Various Missouri Cities and Various Missouri Counties did not respond to Oversight’s request for fiscal impact.

Senate Amendment 7

This amendment removes section 304.161 from the bill. **Oversight** assumes no impact.

Bill as a Whole

Officials at the **Administrative Hearing Commission, City of Centralia, Department of Insurance, Financial Institutions and Professional Registration, Department of Natural Resources, Jefferson City Police Department, Office of the State Courts Administrator, Office of the State Auditor, Office of the State Treasurer** and the **St. Louis County** assume that there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (FY 2009 average \$16.04 per inmate, per day or an annual cost of \$5,855) or through supervision provided by the Board of Probation and Parole (FY 2009 average \$3.71 per offender, per day or an annual cost of \$1,354).

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crimes as listed:

Knowling using revoked drive-a-way plates - a new misdemeanor  
Crimes regarding automobile line of credits - a new Class A misdemeanor  
Lying on a sales reports - Class A misdemeanor  
Possession of fraudulent plates - Class A misdemeanor  
Subsequent use of plates by a non-dealer - new Class D felony

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the State Public Defender System to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

ASSUMPTION (continued)

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state 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 this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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 Boone County Sheriff Department, Buchanan County Sheriff's Department, Clark County Sheriff's Department, Columbia Police Department, Independence Police Department, Jackson County Sheriff Department, Kansas City Police Department, Platte County Sheriff's Department, Springfield Police Department, St. Charles Police Department, St. Louis County Police Department, St. Louis County Sheriff Department and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for fiscal impact.

Officials at the Boone County Fire District, Central County Fire and Rescue, Centralia Fire Department, Creve Couer Fire District, DeSoto Rural Fire Protection District, Hawk Point Fire Protection District, Hillsboro Fire Protection District, Lake St. Louis Fire District, Mehlville Fire District, Nixa Fire Protection District, Saline Valley Fire Protection District and the Southern Iron County Fire Protection District did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Jackson, Jasper, Jefferson, Knox, Laclede, Lafayette, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski, St. Charles, St. Francois, Taney, Texas, Warren, and Webster did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following cities: Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Kirksville, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Linn, Louisiana, Maryland Heights, Maryville, Mexico, Neosho, O'Fallon, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, and West Plains did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>GENERAL REVENUE</b>			
<u>Savings</u> - Department of Revenue			
Material cost reduction in plates/tabs (301.130)	\$777,197	\$932,636	\$932,636
<u>Cost</u> - Department of Revenue			
Material costs for plates (301.130.3)	(\$3,259)	(\$3,911)	(\$3,911)
<u>Cost</u> - Department of Public Safety			
To conduct a study regarding the safety or rural lettered highways in Missouri (SA1)	(Could exceed \$100,000)	\$0	\$0
<u>Cost</u> - Department of Revenue -			
Processing costs for specialty plates (301.477 & 301.3158)	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Cost</u> - Department of Revenue -			
Processing costs for specialty plates (301.3160)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)
<u>Savings</u> - Department of Revenue -			
License plate manufacturing costs (301.2998 & 301.3150)	\$8,635	\$10,673	\$10,993
<u>Cost</u> - Department of Revenue			
Admin, setup and manufact. costs 3 plates (301.477, 301.3158, 301.3160)	(\$13,103)	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown greater than \$116,362) to \$785,832</u></b>	<b><u>(Unknown greater than \$3,911) to \$943,309</u></b>	<b><u>(Unknown greater than \$3,911) to \$943,629</u></b>

## **HIGHWAY FUND**

<u>Income</u> - Reinstatement fees (303.025)	\$1,650	\$1,980	\$1,980
<u>Income</u> - Increase in fees (303.130.3)	\$25,631	\$30,757	\$30,757
<u>Income</u> - Specialty plate fees(301.477 & 301.3158)	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Income</u> - Specialty plate fees (301.3160)	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
<u>Loss</u> - Specialty plate fee income (301.2998 & 301.3150)	(\$39,488)	(\$47,385)	(\$47,385)
<u>Loss</u> - MoDOT/MHP inspection stickers (SA5)	<u>(\$1,217,700)</u>	<u>(\$2,435,399)</u>	<u>(\$2,435,399)</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>(\$1,257,188) to Unknown greater than \$27,281</u></b>	<b><u>(\$2,482,784) to Unknown greater than \$32,737</u></b>	<b><u>(\$2,482,784) to Unknown greater than \$32,737</u></b>

## **HIGHWAY PATROL INSPECTION FUND**

<u>Loss</u> - MoDOT/MHP Inspection stickers (SA5)	<u>(\$597,774)</u>	<u>(\$1,195,548)</u>	<u>(\$1,195,548)</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY PATROL INSPECTION FUND</b>	<b><u>(\$597,774)</u></b>	<b><u>(\$1,195,548)</u></b>	<b><u>(\$1,195,548)</u></b>

## STATE ROAD FUND

### Savings - MoDOT

removing binding arbitration (226.095)	Unknown greater than \$100,000	Unknown greater than \$100,000	Unknown greater than \$100,000
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### Loss - MoDOT

inspection fee (SA5)	\$0	(\$2,000,000)	\$0
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## ESTIMATED NET EFFECT ON STATE ROAD FUND

<u>Unknown</u> <u>greater than</u> <u>\$100,000</u>	<u>(\$1,900,000) to</u> <u>Unknown</u>	<u>Unknown</u> <u>greater than</u> <u>\$100,000</u>
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## MOTOR VEHICLE COMMISSION FUND

<u>Income</u> - Dept. of Revenue - Fees (301.580)	Unknown Less than \$100,000	Unknown Less than \$100,000	Unknown Less than \$100,000
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<u>Income</u> - Department of Revenue - Fees (sections 301.218 & 301.580)	\$975	\$1,950	\$1,950
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<u>Cost</u> - Department of Revenue Mailing (SA 5)	(\$2,617)	\$0	\$0
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<b>EXPECTED NET EFFECT ON MOTOR VEHICLE COMMISSION FUND</b>	<u>(\$2,617) to</u> <u>Unknown</u> <u>greater than</u> <u>\$975</u>	<u>Unknown</u> <u>greater than</u> <u>\$1,950</u>	<u>Unknown</u> <u>greater than</u> <u>\$1,950</u>
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## ALL STATE FUNDS

<u>Savings</u> - all state agencies Inspections not done (SA5)	<u>\$66,000</u>	<u>\$66,000</u>	<u>\$66,000</u>
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<b>ESTIMATED NET EFFECT ON ALL STATE FUNDS</b>	<u><b>\$66,000</b></u>	<u><b>\$66,000</b></u>	<u><b>\$66,000</b></u>
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FISCAL IMPACT - Local Government	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - Cities - Reinstatement fees (303.025)	\$330	\$396	\$396
<u>Income</u> - Cities - Increase in fees (301.130.3)	\$5,126	\$6,151	\$6,151
<u>Income</u> - Counties - Reinstatement fees (303.025)	\$220	\$264	\$264
<u>Income</u> - Counties - Increase in fees (301.130.3)	\$3,418	\$4,102	\$4,102
<u>Loss</u> - Political Subdivisions Fine revenues (SA6)	(Unknown)	(Unknown)	(Unknown)
Income - Cities and Counties - Specialty plate fees (301.477 & 301.3158)	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Income</u> - Cities and Counties - Specialty plate fees (301.3160)	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
<u>Loss</u> - Cities and Counties - Specialty plate fee income (301.2998 & 301.3150)	(\$13,162)	(\$15,795)	(\$15,795)
<u>Loss</u> - Cities and Counties - (SA 2)	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown greater than \$13,162) to Unknown greater than \$9,094</u></b>	<b><u>(Unknown greater than \$15,795) to Unknown greater than \$10,913</u></b>	<b><u>(Unknown greater than \$15,795) to Unknown greater than \$10,913</u></b>

### FISCAL IMPACT - Small Business

Small businesses with property-carrying vehicles would incur a cost if they elect to get the second license plate for their vehicles (Section 130.130).

A small business conducting a special event motor vehicle auction would incur the expense of obtaining the license required by this proposal (Section 301.580).

A small business that earned revenue generated from the safety inspections process will experience a decrease in revenue (SA 5).

### FISCAL DESCRIPTION

SCS/HB 2111 - This act modifies various provisions relating to transportation.

COUNTY HIGHWAY COMMISSION COMPENSATION - Under current law, members of the county highway commission receive \$15 per day for the first meeting of the month and \$5 for each meeting thereafter during the month. The current law also provides such members a mileage allowance of 8 cents per mile. Under this act, members of the county highway commission who are not also members of the county's governing body shall receive an attendance fee in an amount per meeting as established by the county's governing body. The mileage allowance for those members is changed from 8 cents per mile to the same amount per mile received by the members of the county's governing body (section 230.220).

TRANSPORTATION DEFINITIONS - The act makes technical modifications to the terms "scrap processor" and "vanpool" as used in Chapter 301 (Section 301.010 and 301.218). The act also modifies definition of recreational off-highway vehicle by increasing its maximum width from 60" to 64" (Section 301.010).

FLEET VEHICLE LICENSE PLATES - Under this act, a fleet owner of at least 50 fleet vehicles may apply for fleet license plates bearing a company name or logo. Under current law, any fleet owner could apply these types of plates regardless of how many fleet vehicles he or she owned (Section 301.032).

DRIVEAWAY LICENSE PLATES - This act places additional restrictions on the use of driveaway license plates. Under this act, driveaway license plates shall only be used by owners, corporate officers, or employees of the business to which the plates were issued. Under the act, an applicant for a driveaway plate must provide certain information such as the business name, address, and driver license number. The applicant must provide proof of financial responsibility. In addition, the applicant must provide a picture of his or her place of business. The applicant

FISCAL DESCRIPTION (continued)

must maintain a landline telephone at his or her place of business during the registration period. The act makes the use of a revoked driveaway license plate a misdemeanor (Section 301.069).

PHYSICIAN ASSISTANTS - This act adds physician assistants to the list of other authorized health care practitioners that may furnish a physician's statement to obtain disabled license plates or placards (section 301.142).

SALVAGE TITLE - This act removes the salvage title exclusion from the requirement of a seller to notify the Department of Revenue within 30 days of a sale. Thus, a seller of a motor vehicle with a salvage title must notify the department (Section 301.196).

TITLES HELD BY CERTAIN FINANCING ENTITIES - This act prohibits entities financing motor vehicle dealers from holding titles to the motor vehicles financed as security. Any entity that finances or establishes a line of credit that enables a motor vehicle dealer to purchase vehicles, and who holds or prohibits a motor vehicle dealer from holding, any title as part of that financing shall be guilty of a class A misdemeanor. A second or subsequent offense shall be a class D felony (Section 301.200).

MAINTENANCE OF VIN AND ODOMETER READINGS BY MOTOR VEHICLE DEALERS - Under this act, motor vehicle dealers and public garage operators must maintain a record of a vehicle's VIN number, odometer settings and other information for a period of 5 years (current law is 3 years). Under this act, any person who makes a false statement in a monthly sales report to the Department of Revenue is guilty of a class A misdemeanor (Section 301.280).

CORRECTIONAL ENTERPRISES AND PRODUCTION OF LICENSE PLATE TABS - This act allows correctional enterprises to continue making tabs for the Department of Revenue (under current law this power is set to expire on January 1, 2011)(Section 301.290).

MOTOR VEHICLE DEALERS BONA FIDE PLACE OF BUSINESS - This act requires every application for a motor vehicle franchise dealer shall include an annual certification that the applicant has a bona fide established place of business. The current law only requires this certification for the first 3 years and only for every other year thereafter (Section 301.560).

TRAILER DEALERS - The act also exempts trailer dealers from furnishing copies of current dealer garage liability insurance policies when applying for a trailer dealer license (Section 301.560).

The act also makes technical changes to various sections contained in Chapter 301 (Section 301.562 and Section 301.567).

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FISCAL DESCRIPTION (continued)

OPERATING AS A MOTOR VEHICLE DEALER WITHOUT A LICENSE - Under this act, a second or subsequent violation of operating as a motor vehicle dealer without a license is a class D felony (Section 301.570).

REVOCATION OF MOTOR VEHICLE DEALER LICENSE FOR ABANDONED BUSINESS - This act allows the Department of Revenue to revoke a dealer license when the director determines that the dealer's place of business is uninhabited or abandoned (Section 301.571).

SPECIAL EVENT MOTOR VEHICLE AUCTION LICENSES - This act allows the Department of Revenue to issue a special event motor vehicle auction license to an applicant for the purpose of auctioning motor vehicles if 90% or more of the vehicles are at least 10 years old or older. Auctions can be held for no more than three consecutive days, but no more than two times in a calendar year by the same licensee. A report must be sent to the director within 10 days of the conclusion of the special event motor vehicle auction on a department-approved form specifying the make, model, year, and vehicle identification number of every vehicle included in the auction. Anyone violating this provision will be guilty of a Class A misdemeanor and will be charged a \$500 administrative fee payable to the department for each vehicle auctioned in violation of this provision. A special event motor vehicle auction will be considered a public motor vehicle auction for purposes of licensing and inspection of certain documents and odometer readings; however, the licensee will not be required to have a bona fide established place of business. Applications to hold a special event motor vehicle auction must be received by the department at least 90 days prior to the event. Applicants must be registered to conduct business in this state, pay a licensing fee of \$1,000, and be bonded or have an irrevocable letter of credit in the amount of \$100,000. Applicants will be responsible for ensuring that a sales tax license or special event sales tax license is obtained if required. The special event motor vehicle auction license provision is contained in SB 716 (2010) and HB 979 (2009)(Section 301.580).

PROPERTY-CARRYING COMMERCIAL MOTOR VEHICLE -Under this act, an applicant may receive two license plates for any property-carrying commercial motor vehicle, rather than the standard issuance of one plate, by paying an additional \$15 fee. This provision is contained in SB 794 (2010)(Section 301.130).

ATV TITLES - This act requires a person when applying for an original certificate of ownership (no previous certificate of ownership has been issued for the vehicle) for an all-terrain vehicle (ATV) or a recreational off-highway vehicle to submit an affidavit explaining how the vehicle was acquired and a photocopy of the bill of sale establishing ownership of the vehicle (section 301.4020). This provision is identical to the one contained in HB 2043 (2010).

FISCAL DESCRIPTION (continued)

TEXT MESSAGING BAN - Under current law, drivers who are 21 years of age or younger are prohibited from text messaging while operating a motor vehicle. Under this act, the text messaging ban is applied universally so that all drivers, regardless of age, are prohibited from text messaging while operating a motor vehicle. The act allows any city or county to adopt ordinances or regulations which are equivalent to, but not more restrictive than, the state text message ban. Under the act, persons who use handheld mobile telephones in conjunction with voice-operated or hands-free devices to send text messages are exempt from the text message ban (Section 304.820).

LEFT LANE TRUCK PENALTY - This act increases the penalty for left lane truck violations in St. Charles County from an infraction to a class C misdemeanor. If the left lane violation causes the immediate threat of an accident, the penalty is increased from a Class C misdemeanor to a class B misdemeanor (Section 304.705). This provision may also be found in the perfected version of SB 781 (2010).

FRAUDULENT USE OF MOTOR VEHICLE LICENSES AND RELATED DOCUMENTS - Under this act, if the Director of Revenue reasonably believes a person has obtained a title, license plate, or license plate tab in a fraudulent manner, the person must surrender such items. A failure to do so constitutes a Class A misdemeanor (Section 301.423). Under this act, it is

FISCAL DESCRIPTION (continued)

unlawful for any person to display, or to have in his or her possession, any nondriver identification card knowing that the card is fictitious or to have been canceled, suspended, revoked, disqualified or altered. Similarly, the act makes it unlawful for a person to lend or knowingly permit the use of nondriver identification card that is fictitious. The current law only applies to the fraudulent display, possession or use of a license (Section 302.220). This act ties the statute of limitations for a prosecution for making a false statement on a driver's license application to the discovery of the statement's falsity, rather than the time when the statement was made. A prosecution for a person who makes a false statement on a driver's license application may commence one year after the director first discovers the falsity of the statement or affidavit, however no prosecution shall commence more than 6 years after the statement or affidavit was made (Section 302.230).

MACKS CREEK LAW -This act modifies the "Macks Creek" law. Under current law, if any city receives more than 35% of its annual gross general operating revenue from fines and court costs for traffic violations occurring on state highways, all revenues in excess of the 35% threshold are distributed to the county schools. This act provides that traffic violations shall include moving and nonmoving violations and any moving violations that are pled or amended to nonmoving violations (Section 302.341).

FISCAL DESCRIPTION (continued)

**NONRESIDENT FINANCIAL RESPONSIBILITY** - Under this act, a nonresident shall not operate a motor vehicle in Missouri unless the nonresident maintains financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence. A nonresident who fails to maintain financial responsibility is guilty of a Class C misdemeanor (Sections 303.025 and 303.080).

**ONE-PLATE ISSUANCE** - Under this act, the state will only issue one license plate beginning August 28, 2010, to motorists unless the registered owner is eligible to receive a second plate (property-carrying commercial motor vehicle applicants can request 2 plates) (Sections 301.064, 301.120, 301.130 and 301.144).

**PUBLIC MOTOR VEHICLE AUCTIONS** - Under this act, a public motor vehicle auction may sell motor vehicles through an internet auction without the services of a licensed auctioneer. A public motor vehicle auction may auction motor vehicles that are not located at its licensed place of business through the Internet (section 301.561).

**REPEAL OF BINDING ARBITRATION** - This act repeals a provision of law which currently requires MoDOT to submit to binding arbitration upon the request of a plaintiff in a negligence action (Section 226.095).

**MISSOURI STATE TRANSIT ASSISTANCE PROGRAM** - This act establishes the Missouri State Transit Assistance Program to be administered by the Department of Transportation to provide financial assistance to defray the operating and capital costs incurred by public mass transportation providers. The distribution of any appropriated funds shall be determined by evaluating certain factors of each service provider including population, ridership, cost and efficiency of the program, availability of alternative transportation in the area, and local efforts and tax support (Section 226.195).

**TOWING AND STORAGE CHARGES** - Under this act, towing and storage charges must be not be excessive. Complaints regarding allegations of excessive storage charges shall be reported to the attorney general for investigation, review, and determination. A determination that storage charges are excessive shall constitute an unlawful trade practice as provided in section 407.020 (Section 304.161).

**SECTION 301.477** = This section allows persons who have been awarded combat action badges to apply for a special license plate bearing the words "COMBAT ACTION" and an image of a combat action badge. There shall be an additional fee charged for each set of special combat action badge license plates issued equal to the fee charged for personalized license plates.

FISCAL DESCRIPTION (continued)

SECTIONS 301.2998 and 301.3150 = This proposed legislation changes the administrative procedures for issuing and developing specialty license plates. In its main provisions, the proposal:

- (1) Specifies that the Department of Revenue (DOR) is not required to accept applications and issue specialty plates for a specific category or organization if no applications for the plate have been received within four years from the authorization of the plate or the total number of specialty plates issued for a specific category is less than 200 plates for two consecutive years;
- (2) Authorizes DOR to discontinue the issuance and renewal of a specialty license plate if the organization has stopped providing services and the emblem-use authorization statements are no longer being issued by the organization. The organization must notify DOR immediately to discontinue the issuance of a specialty plate. These provisions will not apply to any specialty license plate which bears the emblem or insignia of a branch of the United States military or a military organization or involve military actions or personnel.

SECTION 301.3158 = This section creates the "LEGION OF MERIT" special license plate and allows any person who has been awarded this military service award to apply for it. To obtain the special license plate, a person must make application, furnish proof as a recipient of the Legion of Merit Medal, and pay a \$15 fee to the Department of Revenue in addition to the registration fee and any other documents required by law.

SECTION 301.3160 = This section of the proposed legislation allows motorists to obtain Multiple Sclerosis special license plates. In order to obtain the specialty plates, the motorist must pay an annual \$25 emblem-use contribution to the National Multiple Sclerosis Society, a \$25 specialty license plate fee, and regular registration fees. The specialty plates shall bear the words "JOIN THE MOVEMENT" in lieu of the words "SHOW-ME STATE". Before this specialty plate may be issued, the director must receive in receipt of a list of at least 200 potential applicants who plan to purchase the plate and an application fee to defray the cost for developing the specialty plate.

SENATE AMENDMENT 1 - This act instructs the director of the Department of Public Safety to conduct a study regarding the safety of rural lettered highways in Missouri. In addition to studying the overall safety of Missouri's rural lettered highways, the study shall specifically include a report on Missouri's top ten dangerous rural lettered highways. The report shall include recommendations on how to improve the safety of rural lettered highways. The director of the Department of Public Safety must issue the report containing the recommendations to the general assembly and the director of the Department of Transportation no later than February 1, 2011.

FISCAL DESCRIPTION (continued)

SENATE AMENDMENT 6- The proposed legislation prohibits political subdivisions from using automated photo red light enforcement systems to enforce red light violations.

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

Administrative Hearing Commission  
City of Centralia  
City of Kansas City  
Department of Corrections  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Natural Resources  
Department of Revenue  
Jefferson City Police Department  
Johnson County  
Missouri Department of Transportation  
Missouri Highway Patrol  
Office of Administration's Information Technology Services Division  
Office of Administration  
Office of the Secretary of State  
Office of the State Auditor  
Office of the State Courts Administrator  
Office of the State Public Defender  
St. Joseph Police Department  
St. Louis County

L.R. No. 4498-09

Bill No. SS for SCS for HB 2111 with SA 1, SA 2, SA 4, SA 5, SA 6 and SA 7

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April 27, 2010

**Not Responding**

Office of Prosecution Services

Office of the State Treasurer

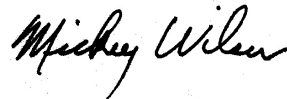
Kansas City Transportation Authority

Various Cities

Various Counties

Various 911 Agencies

Various Fire Districts

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA

Director

April 27, 2010