

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6071-02
Bill No.: HCS for HB 2320
Subject: Motor Vehicles; Emergencies; Transportation; Highway Patrol; Law Enforcement
Officers and Agencies
Type: Original
Date: March 8, 2016

Bill Summary: This proposal changes the laws regarding tow truck company requirements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of unauthorized towing, a new Class D misdemeanor, with escalators for subsequent same offenses.

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 effective representation in all cases where the right to counsel attaches.

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

Officials from the **Office of Prosecution Services** assume that the creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine. There is no measurable fiscal impact to the Office of Prosecution Services for this proposal.

Officials from the **Office of State Courts Administrator, Department of Transportation, Department of Public Safety - Missouri Highway Patrol** and **Department of Revenue** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from **St. Louis County**, the **City of Kansas City** and **Callaway County** each assume the current proposal would not fiscally impact their respective political subdivisions.

In response to a previous version, officials at the **Department of Insurance, Financial Institutions and Professional Registration** assumed the proposal would not have a fiscal impact on their organization.

ASSUMPTION (continued)

In response to a previous version, officials from the **Department of Corrections (DOC)** stated this proposal creates three new crimes; one of which would be supervised by the DOC. The D and A Misdemeanors listed in 304.153 would not be supervised by the DOC. However, upon the committing of a third offense, a tow operator could be charged with a D Felony. As the previously held statute does not have any comparable offenses and this is a new crime, it is not possible to pinpoint the exact impact of this particular statute. The average sentence for nonviolent D Felonies is 3.5 years with 1.5 of those years served in prison and 2 on parole or with 3 years served on probation.

Costs shown are that this non-violent D Felony will lead to one new prison sentence and two new probation sentences per year. After four years, this should lead to an increase in the institutional population by 1.5 and the field population by 8.

The FY '15 average cost of supervision is \$6.04 per offender per day or an annual cost of \$2,205 per offender. The DOC cost of incarceration is \$16.809 per day or an annual cost of \$6,135 per offender.

The DOC would assume this legislation will result in long term cost as indicated in the chart below.

ASSUMPTION (continued)

	# to Prison	Cost Per Year	Total Cost Prison	# to Probation and/or Parole	Cost Per Year	Total Cost of Probation and Parole	Grand Total Prison and Probation
Year 1 (10 mos)	1.0	(\$6,135)	(\$6,135)	2.0	(\$2,205)	(\$4,410)	(\$8,788)
Year 2 (2% inflation)	1.5	(\$6,135)	(\$9,203)	4.5	(\$2,205)	(\$9,923)	(\$19,508)
Year 3 (2% inflation)	1.5	(\$6,135)	(\$9,203)	7.5	(\$2,205)	(\$16,538)	(\$26,780)
Year 4 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$28,485)
Year 5 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$29,055)
Year 6 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$29,363)
Year 7 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$30,229)
Year 8 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$30,834)
Year 9 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$31,450)
Year 10 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$32,079)

Oversight assumes the Department of Corrections is provided with core funding to handle a certain amount of activity each year. Oversight assumes the DOC could absorb the costs related to this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business towing companies could be impacted by this proposal.

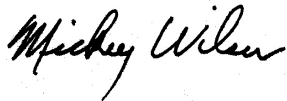
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

State Public Defender's Office
Office of State Courts Administrator
Department of Transportation
Department of Corrections
Department of Revenue
Office of Prosecution Services
Department of Public Safety
Missouri Highway Patrol
St. Louis County
City of Kansas City
Callaway County



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March 8, 2016

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March 8, 2016