

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5658H.011
 Bill No.: HB 2737
 Subject: Boards, Commissions, Committees, and Councils; Highway Patrol; Motor Vehicles
 Type: Original
 Date: April 15, 2024

Bill Summary: This proposal establishes the "Auto Theft Prevention Commission".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	(\$334,757)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$334,757)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Highway*	Unknown	Unknown	Unknown
Auto Theft Prevention Commission Revolving**	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

* Oversight assumes unknown savings would be greater than \$250,000 annually.

** Income, gifts, donations, Federal Grants, expenditures and local law enforcement grants could exceed \$7.6 million annually and net to \$0.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Auto Theft Prevention Commission Revolving	Up to 10 FTE	Up to 10 FTE	Up to 10 FTE
Total Estimated Net Effect on FTE	Up to 10 FTE	Up to 10 FTE	Up to 10 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government*	\$0	\$0	\$0

* Grants and expenditures net to \$0

FISCAL ANALYSIS

ASSUMPTION

§§43.282, 43.284, 43.286, and 301.190 – Auto Theft Prevention Commission

Officials from the **Department of Public Safety (DPS) - Missouri Highway Patrol (MHP)** state §43.282.7 mandates the MHP provide all technical, clerical, and other support services to the Auto Theft Prevention Commission, as created in §43.282. In tasked with providing the necessary support services for a statewide task force the Patrol anticipates the need for criminal investigators (troopers) in the following areas: Troop A (2), Troop C (2), Troop D (2), and Troop E (1). In addition, the Patrol anticipates needing one (1) Computer Information Technologist III FTE to coordinate and support the information technology function needs of task force personnel. Along with this is the need to purchase one (1) storage node for virtual information storage. Finally, to assist with the support role the MHP anticipates the need to add two (2) Clerk Typist III FTE.

Funding for these positions would either come from the created Auto Theft Prevention Commission Revolving Fund, as outlined in §§43.286.1 through 43.286.3, or through General Revenue (0101). The expense and equipment costs for the requested trooper (member) FTE are shown in the "Other Costs or Savings" section as it allows the Patrol to differentiate between the one time and ongoing costs. In addition to the expense indicated for the seven (7) trooper positions that would be transferring to either the Auto Theft Prevention Commission Revolving Fund or General Revenue (0101), it is assumed there will be an unknown savings to the Highway Fund (0644), as those tenured troopers would be replaced with Highway funded probationary troopers.

Oversight is not certain if an additional ten (10) MHP FTE would be needed to assist the new commission. Therefore, Oversight will reflect "Up to" the costs noted by the MHP. In addition, Oversight assumes replacing experienced troopers with probationary troopers would result in an unknown saving greater than \$250,000 annually to the Highway Fund.

Officials from the **Department of Revenue (DOR)** state among other provisions §43.284.1 provides that the commission shall:

(1) Establish a grant program for the provision of funds to local law enforcement agencies and multi-jurisdictional task forces for the following:

- (a) Prevention, reduction, and investigation of motor vehicle and motor vehicle parts theft;
- (b) Prevention, reduction, and investigation of motor vehicle related crime;
- (c) Establishment of multi-jurisdictional task forces upon request of the local law enforcement agencies;
- (d) Investigation of fraud related motor vehicle insurance, motor vehicle dealer purchases, and motor vehicle rental transactions, and other forms of financial fraud

relating to motor vehicles;

(e) Hiring of personnel by local law enforcement agencies for the purpose of prevention, reduction, and investigating motor vehicle related crimes;

(f) Purchase of equipment and technology for support in motor vehicle related crime prevention, reduction, and investigation;

(g) Provision of training to local law enforcement agencies and multi-jurisdiction task forces relative to motor vehicle related crime prevention, reduction, and investigation; and

(h) Production of public awareness materials and programs relating to motor vehicle related crime prevention;

(2) Promote statewide planning and coordination of the investigation and prosecution of crimes relating to the motor vehicle and motor vehicle parts theft;

(3) Provide support to local prosecutors handling motor vehicle and motor vehicle parts theft related prosecution; and

(4) Provide support to multi-jurisdiction task forces established by local law enforcement agencies for the purpose of preventing, reducing, and investigating motor vehicle related crime.

§43.284.2 provides that any grant awarded under the provision of this section shall be upon recommendation from and after consideration by the commission. Each grant application shall describe the type of motor vehicle related crime prevention, reduction, investigation, enforcement, prosecution, or offender rehabilitation program to be implemented. Such programs may include, but shall not be limited to:

(1) Multi-jurisdiction task forces and programs utilizing the National Insurance Crime Bureau task force that reduce motor vehicle related crime and increase the apprehension of motor vehicle and motor vehicle parts thieves and persons who attempt to defraud insurance companies;

(2) Motor vehicle related crime prevention efforts, activities, and public awareness campaigns intended to reduce victimization by motor vehicle parts thieves and person who attempt to defraud insurance companies;

(3) The provision of specialized training motor vehicle related crime investigation personnel including, but not limited to, law enforcement personnel, local motor vehicle registration agents and title clerks, and port facility employees, to enhance knowledge, skills, procedures, and systems to detect, prevent, and combat motor vehicle related crime and fraud;

(4) The provision of support and maintenance by one or more dedicated prosecutors who have the specific mission and expertise to provide legal guidance and prosecutorial continuity to complex criminal cases arising from the activities from the activities of a multi-jurisdiction task force; and

(5) The prevention of future criminal behavior by first-time offenders who have been charged, convicted, or adjudicated for a motor vehicle related crime.

§43.284.3 provides to the extent possible, grants awarded under this section shall be awarded to local law enforcement agencies, multi-jurisdiction task forces, or other qualified applicants in a variety of geographic areas of the state. The ability to contribute additional moneys or match funding for a program shall not be required as a condition of receipt of a grant under this section.

§43.284.4 provides the commission shall prepare an annual report relative to activities and programs of the commission and any funds received and grants awarded under this section. Such report may include recommendations for changes in state programs, statutes, policies, budgets, and standards relating to improving and supporting the motor vehicle related crime prevention initiatives of local law enforcement agencies and multi-jurisdiction task forces. Such report shall be submitted annually to the general assembly and the governor by December first.

§43.286.1 provides there is hereby created in the state treasury the “Auto Theft Prevention Commission Revolving Fund”, which shall consist of moneys collected under subdivision (2) of subsection 5 of section 301.190 RSMo.

§43.286.2 states for purposes of this section, the commission may accept and use federal funds granted by Congress or by Executive Order, as well as gifts and donations from individuals, private organizations, or foundations. The acceptance and use of federal funds shall not require state matching funds nor shall such acceptance place an obligation on the general assembly to continue the purposes for which the federal funds are made available.

§43.286.3 states the state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The funds shall be a dedicated fund and, upon appropriation, moneys shall be used solely as provided in sections 43.280 to 43.286. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurers shall invest moneys in the fund the same manner as other funds are invested. Any interest and moneys earned on such investments be credited to the fund.

§301.190.5.(1) changes the original certificate of title fee from eight (\$8.50) to thirteen dollars and fifty cents (\$13.50).

§301.190.5.(2) adds in new language and a new subsection stating the five dollar sum from each original certificate fee submitted as provided under subdivision (1) of this subsection shall be transferred to the auto theft prevention commission fund in accordance with section 43.286.

DOR’s response to this proposal was based off the methodology that only major and essential component parts will be tracked. Accessories and other parts, not considered major or essential, lack vital identification numbers that would be required for tracking purposes.

It is assumed that the DOR will provide support to Missouri Highway Patrol (MHP) and other local law enforcement agencies on investigations related to motor vehicle and motor vehicle parts theft. Motor Vehicle Bureau (MVB) staff will be required to complete specialized training

created by MHP to enhance knowledge and skills in detecting, preventing, and combating motor vehicle related crime and fraud. Additional FTE will assist with reporting and tracking requirements suggested by this bill.

Administrative Impact

To implement the proposed changes, the DOR will be required to:

- Ensure cooperation and coordination with the Auto Theft and Prevention Commission.
- The DOR may require additional FTE through the appropriation process, if necessary.

The fiscal impact estimated above is based on changes in the current DOR's Motor Vehicle and Driver Licensing system environment. The implementation of this legislation will be coordinated with the integration of the DOR's Motor Vehicle and Driver Licensing software system approved and passed by the general assembly in 2020 (Senate Bill 176). To avoid duplicative technology development and associated costs to the state, it is recommended a delayed effective date be added to this bill to correlate with the installation of the new system.

Revenue Impact

In FY2023, there were 1,523,102 original titles issued.

1,523,102 x \$5 = **\$7,615,510** deposited into the Auto Theft Prevention Commission Revolving Fund.

ITSD-DOR impact

Information Technology Services Division/DOR state this proposal will require 2,656.80 hours of IT consultant time at \$105 per hour to create the new system as well as make modification to TRIPS to increase the motor vehicle title fee from \$8.50 to \$13.50. One-time costs to the General Revenue Fund of **\$334,757** is estimated for FY 2025.

Oversight has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as provided by DOR and ITSD.

Officials from the **Office of the Governor (GOV)** state this bill adds to the Governor's current load of appointment duties. Individually, additional requirements should not fiscally impact the GOV. However, the cumulative impact of additional appointment duties across all enacted legislation may require additional resources for the Office of the Governor.

Officials from the **Department of Commerce and Insurance**, the **Department of Public Safety – Director's Office** and the **Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
AUTO THEFT PREVENTION COMMISSION REVOLVING FUND			
<u>Income</u> – DOR - increase in title fees (§301.190) p.6	\$6,346,258	\$7,615,510	\$7,615,510
<u>Income</u> – Auto Theft Prevention Commission – Gifts, Donations & Federal Grants (§43.286)	Unknown	Unknown	Unknown
<u>Costs</u> – DPS-MHP (§43.282) p. 3	Up to..	Up to..	Up to..
Personal service	(\$702,520)	(\$859,884)	(\$877,082)
Fringe benefits	(\$616,110)	(\$754,119)	(\$769,201)
Equipment and expense – including vehicles, virtual server, & training	(\$807,434)	(\$149,413)	(\$149,413)
<u>Total Costs</u> – MHP	(\$2,126,064)	(\$1,763,416)	(\$1,795,696)
FTE Change – MHP	Up to 10 FTE	Up to 10 FTE	Up to 10 FTE
<u>Costs</u> – Auto Theft Prevention Commission – Grants to local law enforcement & multi-jurisdiction task forces (§43.284)	<u>(Could exceed \$4,220,194)</u>	<u>(Could exceed \$5,852,094)</u>	<u>(Could exceed \$5,819,814)</u>
ESTIMATED NET EFFECT ON THE AUTO THEFT PREVENTION COMMISSION REVOLVING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on the Auto Theft Prevention Commission Revolving Fund	10 FTE	10 FTE	10 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL GOVERNMENT – LAW ENFORCEMENT AGENCIES			
<u>Income</u> – grants from the state’s Auto Theft Prevention Commission p. 3-6	Could exceed \$4,220,194	Could exceed \$5,852,094	Could exceed \$5,819,814
<u>Costs</u> - Local law enforcement agencies – expenditure of grants p. 3-6	(Could exceed \$4,220,194)	(Could exceed \$5,852,094)	(Could exceed \$5,819,814)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT – LAW ENFORCEMENT AGENCIES*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

* Grants and expenditures net to \$0

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill establishes the "Auto Theft Prevention Commission", which is assigned to the Department of Public Safety, though the Director of Public Safety will have no supervision, authority, or control over the actions or decisions of the Commission. The Commission will have 11 members, including, among others, the Superintendent of the State Highway Patrol or his or her designee; the Attorney General or his or her designee; and various members to be appointed by the Governor. The bill specifies provisions for those members appointed by the Governor. Some of the duties of the Commission include establishing a grant program for the provisions of funds to local law enforcement agencies and multi-jurisdiction task forces for: preventing, reducing, and investigating motor vehicle and motor vehicle parts theft; investigating fraud related to motor vehicle insurance, motor vehicle dealer purchases, and motor vehicle rental transactions; and purchasing equipment and technology for support in motor vehicle-related crime prevention, reduction, and investigation. The Commission will also provide support to local prosecutors handling motor vehicle and motor vehicle parts theft.

Any grant awarded under this section will be upon recommendation from and after consideration by the Commission. Each grant application must describe the type of motor vehicle-related crime

prevention, reduction, investigation, enforcement, prosecution, or offender rehabilitation program to be implemented. The types of programs are described in the bill.

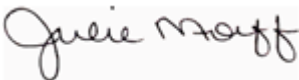
The Commission must prepare an annual report and submit it to the General Assembly and the Governor by December 1.

The bill creates the "Auto Theft Prevention Commission Revolving Fund", which will be used solely to implement the provisions related to the Commission. There will be \$5 added to the fee to register a motor vehicle or trailer, increasing the total fee to \$13. The additional \$5 will be transferred to the Fund.

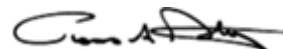
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning
Department of Commerce and Insurance
Department of Revenue
Department of Public Safety –
 Director's Office
 Missouri Highway Patrol
Office of the Governor
Office of the State Treasurer



Julie Morff
Director
April 15, 2024



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April 15, 2024