

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6344H.02C
 Bill No.: HCS for HB 2753
 Subject: Roads and Highways; Hospitals; Transportation
 Type: Original
 Date: March 12, 2026

Bill Summary: This proposal allows counties and municipalities to establish 'hospital zones' and provides for the enhancement of penalties when driving offenses occur within such zones.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(Could exceed \$112,500)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	(Could exceed \$112,500)	\$0 or (Unknown)	\$0 or (Unknown)

*Oversight assumes the unknown cost will not exceed the \$250,000 threshold for this proposal.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

- 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 2027	FY 2028	FY 2029
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§§302.302, 304.1020 and 304.1023 – Hospital Zones

Officials from the **Department of Revenue (DOR)** assume the following:

Administrative Impact

To implement the proposed changes, the DOR will:

- Complete programming and user acceptance testing to create a new action type in the Missouri driver license system (FUSION);
- Coordinate with MSHP to outline the process between law enforcement and the DOR;
- Create new procedures, training manuals, notices, and forms;
- Update the DOR website and driver guide; and
- Train staff.

FY 2027 – Driver License Bureau

Associate Research/Data Analyst 400 hrs. x \$31.16 per hr. = \$12,464

Research/Data Analyst 600 hrs. x \$37.14 per hr. = \$22,284

Administrative Manager 80 hrs. x \$51.40 per hr. = \$ 4,112

Total License Bureau Impact = \$38,860

FY 2027 – Strategy and Communications Office (forms and website updates)

Associate Research/Data Analyst 120 hrs. x \$31.16 per hr. = \$3,739

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

FY 2027 – Motor Vehicle and Driver Licensing Integrated System Vendor

Fusion programming 500 hrs. x \$225.00 per hr = \$112,500

Total Administrative Impact = \$155,099

Oversight does not have information to the contrary and therefore, Oversight will reflect the vendor programming impact (FUSION) as provided by the DOR.

Revenue Impact

The proposed legislation may result in the increase of reinstatement fees collected in association with the point accumulation sanctions added to records once convicted through the criminal proceeding. There may also be an increase of reinstatement fees collected for the administrative action taken based off the report from law enforcement. The DOR is unable to estimate the

amount of potential revenue increase but anticipates minimal impact. Reinstatement Fees collected are distributed 75% Highway Fund, 15% Cities, and 10% Counties.

Oversight notes that violations of §§304.1020 and 304.1023 could result in double fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fines vary widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

Officials from the **Office of the State Courts Administrator (OSCA)** state this proposal may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Department of Corrections, Missouri Highway Patrol, Missouri Department of Transportation, City of Kansas City, Phelps County Sheriff's Office, St. Louis County Police Department, Kansas City Police Department** and the **Branson Police Department** 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties, local law enforcement and hospitals were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DOR (§§304.1020 and 304.1023) Vendor Implementation (FUSION) p.3</u>	(\$112,500)	\$0	\$0
<u>Cost – OSCA (§§304.1020 and 304.1023) Potential increase in caseload p.4</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Could exceed <u>\$112,500</u>)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain – School Districts (§§304.1020 and 304.1023) Potential fine revenue p.4</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill authorizes counties and municipalities to establish hospital zones for streets surrounding a hospital as areas where hospital activities are occurring. If a county or municipality determines the boundaries for a hospital speed zone and erects signs reading "Hospital Zone - Fines Doubled", the court may double the amount of a fine for a traffic violation in the hospital zone. The maximum speed limit in a hospital zone is 30 miles per hour.

The bill creates the offenses of "endangerment of a pedestrian in a hospital zone" and "aggravated endangerment of a pedestrian in a hospital zone. A person commits endangerment of a pedestrian in a hospital zone if the person commits one of the following in a hospital speed zone, except in cases of mechanical failure or negligence by a pedestrian:

- (1) Exceeding the posted speed limit by 15 miles per hour or more;
- (2) Leaving the scene of an accident;
- (3) Careless and imprudent driving;
- (4) Operating without a valid license;
- (5) Operating with a suspended or revoked license
- (6) Driving while intoxicated; or
- (7) Any felony involving the use of a motor vehicle.

A person who commits endangerment of a pedestrian in a hospital speed zone will have four points assessed to their license and be subject to a fine of up to \$500. Aggravated endangerment of a pedestrian in a hospital speed zone occurs when a pedestrian is injured or killed, and a person committing this offense will have 12 points assessed to their driver's license, and their license will be revoked. If a pedestrian is injured, the person will be subject to a fine of not more than \$5,000. If a pedestrian is killed, the person will be subject to a fine of not more than \$10,000.

The bill requires the Department of Revenue to revoke the license of any driver who negligently strikes a pedestrian in a hospital speed zone where proper signage has been posted. The Department will make its determination based on the report of a law enforcement officer investigating the incident, and that determination will be final, unless a hearing is requested and held on the matter. A driver can petition for a hearing before a circuit division or associate division of the court in which the hospital zone accident occurred. In the petition, a driver can request a court stay the revocation of their license until the petition can be heard, and the court can grant the stay at its discretion, pending a hearing. If the court grants the stay, it will enter the order on a form prescribed by the Director of Revenue and send a copy to the Director. The Director will keep the driver's license of the driver, and the driver will have the ability to drive, using the order from the court staying the suspension as their proof of privilege to operate a motor vehicle.

At the hearing, the prosecuting attorney of the county will appear on behalf of the Department, and the court will determine only:

- (1) Whether the person was involved in a physical accident where his or her vehicle struck a pedestrian within a designated hospital zone;
- (2) Whether guidelines involving notice and signage were properly implemented in such hospital zone; and
- (3) Whether the investigating officer had probable cause to believe the person's negligent acts or omissions contributed to his or her vehicle striking a pedestrian.

If the court determines any of the answers to these three determinations is in the negative, the court must order the Director to reinstate the license or permit to drive. Otherwise, and if the

driver does not request or is not granted a hearing, the driver's license or permit will be reinstated upon taking and passing the written and driving portions of the driver's license examination.

This administrative adjudication to reinstate a license revoked by this bill, any evidence provided to the Department, the court's determinations, and the evidence provided to the court relating to such determinations will all be unavailable by subpoena or any other means and made available in other administrative actions, civil cases, or criminal prosecutions.

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

SOURCES OF INFORMATION

Department of Revenue
Office of the State Courts Administrator
Department of Corrections
Missouri Highway Patrol
Missouri Department of Transportation
City of Kansas City
Phelps County Sheriff's Office
Branson Police Department
Kansas City Police Department
St. Louis County Police Department



Julie Morff
Director
March 12, 2026



Jessica Harris
Assistant Director
March 12, 2026