

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0412-03
Bill No.: SB 22
Subject: Environmental Protection; Motor Fuel; Motor Vehicles
Type: Original
Date: February 7, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$0	\$0	(\$2,501)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	(\$2,501)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Revenue (DOR)** assume this proposal completely eliminates the emissions inspection program and indirectly affects the Driver and Vehicle Services Bureau (DBSB) in that currently renewal registration reminders all indicate that an emissions inspection is required, when applicable. This proposal will require revisions to procedures, forms, and the Department of Revenue website. DOR will incur costs for notifying the field of procedures changes. It is estimated to be \$530 (\$368 for procedures changes, \$11 for envelopes and \$151 for postage).

The Information Technology Bureau (ITB) will require 84 hours of overtime programming to modify the renewal pull program. Programming overtime costs will be approximately \$1,971.

DOR officials indicated that if a new emissions test plan was implemented in conjunction with the safety inspection program operated by the Missouri State Highway Patrol (MSHP), costs could be incurred to establish electronic notification of emissions testing status on registered vehicles between the two agencies. Oversight assumes that such costs, if necessary, would be reflected in future appropriation requests.

ASSUMPTION (continued)

Officials with the **Department of Transportation (MoDOT)** assume this proposal would create little or no fiscal impact on their agency at this time. However, MoDOT notes that compliance with the Clean Air Act impacts all of MoDOT's funding and its ability to deliver improvements in the state transportation system. Therefore, if the St. Louis urban area is reclassified as a "serious" non-attainment area, federal highway funds could be jeopardized or sanctioned.

Officials with the **Department of Natural Resources (DNR)** assume this proposal would suspend the enhanced vehicle emissions testing program on or before August 31, 2007, and would revert to the motor vehicle inspection standard under Section 307.366, RSMo.

If the program were suspended before the contract in place for vehicle inspections expires, the state would have a potential liability for the remainder of the contract.

DNR states that the current emissions testing program is one of the major components of the state's control strategy for addressing health-based air quality issues for the St. Louis area. Without the program, an alternative method of emission reduction would need to be found within the St. Louis ozone non-attainment area.

DNR assumes this proposal also allows for the institution of a decentralized emissions inspection program. Without knowing the details of an alternative program, if one is put in place by the Missouri Air Conservation Commission, the fiscal impact to DNR is unknown.

Oversight assumes that the elimination of the current emissions inspection program would coincide with the expiration of the contract in place for vehicle inspections (August 31, 2007), thereby negating any potential liability for early termination of the contract, and that an alternative program would replace funds lost by DNR as a result of the current program's elimination.

Officials with the **Attorney General's Office** assume this proposal would require significant revision of the State Implementation Plan for air quality attainment in the St. Louis area. Those individuals and businesses forced to reduce other sources of pollution to make up for the vehicle inspection and maintenance program would be likely to litigate extensively. AGO assumes assistance with rulemaking and the ensuing litigation would require one additional AAGIII and one Legal Secretary.

Oversight assumes that if the effective date of the proposal is August 31, 2007, most significant litigation resulting from this legislation would commence at a date beyond the scope of this fiscal note, and that costs arising before that time could be absorbed by existing or planned

ASSUMPTION (continued)

appropriations.

Officials with **St. Louis County** assume that the elimination of the current emissions inspection program would save their county approximately \$20,000 (\$10,000 in payments for required testing of county vehicles and \$10,000 for labor and benefits paid to employees required to accomplish the testing on county vehicles). **Oversight** assumes that a portion if not all of such savings could be eliminated by potential provisions of a new decentralized emissions inspections program.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Costs - Department of Revenue</u>			
Salaries (overtime)	\$0	\$0	(\$1,971)
Equipment & Expense	<u>\$0</u>	<u>\$0</u>	<u>(\$530)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0</u>	<u>(\$2,501)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes, the passage of this proposal could decrease the amount of emission repairs at local repair shops.

DESCRIPTION

This substitute requires the Air Conservation Commission to suspend the operation of any motor vehicle emissions inspection program on or before January 1, 2007. The commission must revert to the vehicle inspection standard found in Section 307.366, RSMo, which states, in part, that in any portion of a non-attainment area certain motor vehicles must be tested and approved before they are sold and every two years to determine that the emissions system is functioning in accordance with the emission standards specified by the commission and as required to attain the national health standards for air quality. The substitute allows the commission to institute a decentralized emission inspection program instead of the current program.

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 Natural Resources
Department of Revenue
Department of Transportation
Attorney General's Office
St. Louis County



Mickey Wilson, CPA
Director
February 7, 2005