

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3304-01  
Bill No.: SB 759  
Subject: Revenue Department; Licenses - Motor Vehicles; Insurance - Automobile.  
Type: Original  
Date: January 9, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Revenue	(\$3,220)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$3,220)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Insurance** state the proposal would not fiscally impact their agency.

Officials from the **Office of Administration - Administrative Hearing Commission** assumes the legislation will not significantly alter its caseload or have a fiscal impact on the agency.

Officials from the **Department of Revenue** state they will incur cost to notify approximately 7,000 dealers of the proposed insurance verification requirement. DOR assumes the cost of notification forms, envelopes and postage to be roughly \$3,220 in the first fiscal year.

**Oversight** assumes any penalties assessed and collected by the Department of Revenue to be a possible indirect fiscal impact resulting from this proposal. Therefore, Oversight has not shown the potential impact of the penalties on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE</b>			
<u>Costs - Department of Revenue</u>			
To notify dealers of new insurance verification requirements	<u>(\$3,220)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$3,220)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that sell automobiles could be impacted by this proposal because they would now be required to collect proof of financial responsibility from a buyer before issuing temporary tags. Failure to do so could result in disciplinary actions or a penalty assessed by the Department of Revenue.

DESCRIPTION

Under this proposal, prior to issuing a temporary permit or paper plate, a buyer of a motor vehicle shall submit proof of financial responsibility to the dealer. The dealer shall verify proof of financial responsibility by examining one of the following documents:

- (1) An insurance identification card as required by Section 303.024;
- (2) The declaration page of an insurance policy;
- (3) A certificate of financial responsibility;

DESCRIPTION (continued)

(4) A valid binder of insurance issued by an insurance company licensed to sell motor vehicle liability insurance in Missouri; or

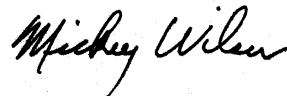
(5) A legible photocopy, facsimile, or printout of an electronic transmission of a document listed in the act, provided the dealer receives the photocopy, facsimile, or printout directly from a licensed insurance company or licensed insurance agency. The dealer shall not accept a photocopy, facsimile, or printout unless the licensed insurance company or licensed insurance agency provides it on the letterhead of the company or the agency.

The dealer shall affix a copy of the document demonstrating proof of financial responsibility to the application for a temporary permit or paper plate.

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  
Department of Insurance  
Office of Administration  
Administrative Hearing Commission



Mickey Wilson, CPA  
Director  
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