

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3461-01
Bill No.: SB 635
Subject: Motor Vehicles; Transportation.
Type: Original
Date: January 5, 2006

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2007 | FY 2008 | FY 2009 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

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

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2007 | FY 2008 | FY 2009 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Public Safety – Missouri State Highway Patrol, – Director’s Office, Department of Insurance, Department of Transportation, Department of Revenue, and the Office of State Public Defender** each assume this proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials with the **Office of Prosecution Services** assumed the proposal would not have a significant direct fiscal impact on prosecutors.

Officials with the **Department of Mental Health (DMH)** assume this proposal could require only individuals under the age of 21 to wear protective headgear while operating a motorcycle or motortricycle. The DMH assumes this would not result in an increase in the number of persons served by the Division of Mental Retardation and Developmental Disabilities because persons who are over the age of 22 when they obtain a head injury are not eligible for Division services. Officials assume no fiscal impact.

ASSUMPTION (continued)

Officials with the **Department of Health and Senior Services (DHSS)** estimate that changing the helmet-use law to apply to just motorcycle riders under the age of 21 would increase the number of head-injured patients by 509 per year. Of these, it is estimated that 4.3 would become clients of the Head Injury Services Program of DHSS, and that this would add \$33,000 per year in program costs. DHSS assumes growth in the following years (to six for the year 2 and 8 for the year 3) based on the experience of previous new enrollment growth in the program. In summary, DHSS assumed an increase in cost to the Adult Head Injury Program of \$27,509 in FY 2007, \$47,444 in FY 2008 and \$65,156 in FY 2009.

Oversight assumes statutes or regulations would not require the DHSS to include these individuals in its Head Injury Program.

Officials with the **Department of Social Services (DOS) – Division of Medical Services** did not respond to our request for fiscal impact. However, in response to a similar proposal in a previous year (HB 307 in 2005), DOS assumed there could be an estimated 9 uninsured head injury cases due to the elimination of the helmet law for persons age 21 and over. If these individuals qualify for Medicaid as permanently and totally disabled (PTD) clients, the annual cost to the program could range from \$0 to \$399,510. (An estimate of the head injury cases is provided to the DOS by the Department of Health and Senior Services). The annual cost estimate is based on inpatient hospital charges, rehabilitation, and ongoing medical costs. DOS estimated the annual cost as follows:

| | |
|------------------------------------|------------------|
| Inpatient Hospital Charge | |
| (Additional charge for unhelmeted) | \$5,186 |
| Rehabilitation Cost – 30 days | \$23,640 |
| Ongoing Medical Costs | <u>\$15,564</u> |
| Total Cost Per Individual | <u>\$44,390</u> |
| Total Cost for 9 Individuals | <u>\$399,510</u> |

DOS estimated the annual cost of the proposal to be \$0 to \$399,510 in the first year. An inflation forecast of 4.5% was applied to subsequent years bringing the cost estimate range to \$0 to \$417,488 and \$0 to \$436,275, respectively.

ASSUMPTION (continued)

Oversight assumes some people over 21 could choose not to wear protective headgear as a result of this proposal. Accordingly, there may be an increase in injuries or the severity of injuries to motorcyclists not wearing protective headgear which may **indirectly** result in increased costs to the state. Oversight assumes no **direct** fiscal impact to state and local governments from the protective headgear exemption.

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

| <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

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

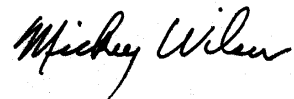
DESCRIPTION

This proposal exempts motorcyclists age 21 and older from wearing a helmet when operating a motorcycle or motortricycle. Under current law, everyone operating a motorcycle or motortricycle must wear a helmet.

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 the State Courts Administrator
Department of Transportation
Department of Mental Health
Department of Health and Senior Services
Department of Revenue
Department of Social Services
Department of Public Safety
Department of Insurance
Office of Prosecution Services
Office of the State Public Defender



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Director
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