

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: SB 606
Bill No.: 3728-01
Subject: Motor Vehicles; Revenue Department; Licenses - Driver's; Licenses - Motor Vehicles
Type: Original
Date: January 20, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$143,709)	(\$139,363)	(\$142,915)
Total Estimated Net Effect on General Revenue Fund	(\$143,709)	(\$139,363)	(\$142,915)

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 6 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 from the **Department of Public Safety - Missouri Highway Patrol** assume the proposal would not fiscally impact their agency

Officials from the **Office of the Attorney General** assume the additional basis for revoking a driver's license would add to the AGO's appellate caseload. However, the AGO assumes the costs could be absorbed with existing resources. If multiple proposals pass during the legislative session which require policy form reviews, the AGO will need to request additional staff to handle the increase in workload.

Officials from the **Department of Revenue (DOR)** state their response to a proposal similar to this one in a previous session indicated they planned to absorb the administrative costs to implement this proposal. Due to budget constraints and the reduction of staff, DOR is unable to absorb the administrative costs associated with this proposal, therefore the fiscal impact is:

Driver License Bureau

The License Withdrawal Area estimates that the towing companies may be able to obtain a date of birth and/or driver license number of the owners on 5% of 20,000 estimated abandoned vehicle owners. Therefore, it would be minimal impact for DLB.

ASSUMPTION (continued)

MODL Impact Testing

270 hours

x \$23.21

\$6,267 which will be completed during normal working hours.

Motor Vehicle Bureau

The department processes approximately 20,000 abandoned vehicle title applications each year. DOR assumes they would receive notice to suspend on each of these, that 10% of the applicants will request a hearing and 25% of the applicants will have a second vehicle that requires suspension.

The Motor Vehicle Bureau assumes the need for one FTE Revenue Licensing Tech II (at \$26,292 annually)

Information Technology

This proposal will require programming to create the new suspension, create new action entry and inquiry screens, create new notice of loss, modify the action update programs, modify GRS interface programs, and modify MAI interface programs.

FY07

960 Estimated programming hours

x \$25.21 Overtime hourly rate for Computer Information Technician Specialist I position

\$24,202 Total Overtime MODL Programming Costs

General Counsel

The general counsel's office will require one FTE, legal counsel, and one docket clerk to handle any hearings for DOR required by this legislation assuming that DVSB does not handle such hearings. The hearing officer and docket clerk would process request for hearing, docket such hearings, conduct the hearings and enter decisions and transmit any outcome to the processing clerks.

The General Counsel's office assumes the need for one FTE Legal Counsel (at \$39,828 per year) and one FTE Docket Clerk (Senior Office Support Assistant [Clerk Typist III] at \$24,984 per year.

ASSUMPTION (continued)

In summary, DOR assumes this proposal would cost \$179,746 in FY 2007 and roughly \$160,000 in each of the next two years. Constitutional Amendment 3 (2004) authorizes 3% of highway funds to be used to offset the actual cost to collect such funds by the Department of Revenue.

For purposes of this fiscal note, the department of revenue assumes all costs will be appropriated from the general revenue fund. Through the appropriations process, the general assembly may appropriate the constitutionally permissible highway fund amount to offset the general revenue fund cost shown in this fiscal note.

Oversight has, for fiscal note purposes only, changed the starting salary for the three requested FTE to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees over the last six months of FY 2002 and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research. Oversight assumes DOR will not require additional floor space for the three new FTEs, and has taken out the rent expense in DOR's estimate.

Officials from the **City of Kansas City** state the proposal would have no adverse or beneficial fiscal impact on the city.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	(10 Mo.)		
GENERAL REVENUE			
<u>Costs - Department of Revenue</u>			
Personal Service (3 FTE)	(\$70,951)	(\$87,269)	(\$89,451)
Fringe Benefits	(\$31,261)	(\$38,451)	(\$39,412)
Expense and Equipment	(\$11,028)	(\$13,643)	(\$14,052)
Programming	<u>(\$30,469)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - DOR</u>	<u>(\$143,709)</u>	<u>(\$139,363)</u>	<u>(\$142,915)</u>
 ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	 <u>(\$143,709)</u>	 <u>(\$139,363)</u>	 <u>(\$142,915)</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

Small towing businesses would be expected to be fiscally impacted as a result of this proposal.

DESCRIPTION

This proposal creates an administrative procedure in which a towing company may seek to recoup reasonable towing and storage fees associated with towing an abandoned vehicle from public property. The towing company may submit an affidavit within 30 days, but no more than 45 days of the tow to recoup the towing company's towing and storage fees. In addition to the affidavit, the towing company must submit an application which shall include an itemized accounting of the towing and storage fees. The application shall also be accompanied by a copy of the crime and inquiry inspection report (the DOR 4569 Form) and the applicant shall attest that the towing company has complied with all the procedural requirements of Sections 304.155 to 304.158.

Within five days of receiving the application, the Department of Revenue shall send notice to the registered owner of the abandoned motor vehicle that a claim for reasonable towing and storage charges has been filed with the department. The notice shall further state that if the registered owner of the abandoned motor vehicle does not provide satisfactory proof to the department that such charges have been satisfied within thirty days of receiving the notice, the department shall suspend the owner's driver's license or driving privileges and any motor vehicle registrations registered in the owner's name. The notice of suspension shall be mailed to the registered owner at the last known address shown on the department's records. The notice of suspension is deemed received three days after mailing. The notice of suspension shall clearly specify the reason and statutory grounds for the suspension and the effective date of the suspension, the right of the person to request a hearing, the procedure for requesting a hearing, and the date by which that request for a hearing must be made. If the request for a hearing is received by the department prior to the effective date of the suspension, the effective date of the suspension will be stayed until a final order is issued following the hearing.

The suspension shall become effective thirty days after the registered owner of the abandoned motor vehicle is deemed to have received the notice. The period of the suspension shall continue

DESCRIPTION (continued)

until the registered owner submits proof that he or she has satisfied all reasonable towing and storage charges associated with the abandonment of such property.

Under this act, "reasonable storage charges" shall not exceed the charges for motor vehicles which have been towed with the consent of the owner on a negotiated basis. For any application submitted pursuant to this section, reasonable storage charges shall not exceed ninety days.

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 Attorney General
Department of Revenue
Department of Public Safety
City of Kansas City



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Director
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