

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4853-10
Bill No.: HCS for SS for SCS for SB 969
Subject: Motor Vehicles; Revenue Department; Licenses - Motor Vehicle; Licenses - Driver's; Liens; Motor Carriers
Type: Original
Date: May 2, 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
Road	\$90,000	\$288,065	\$291,036
Highway	\$0	(\$37,858)	(\$50,477)
Total Estimated Net Effect on Other State Funds	\$90,000	\$250,207	\$240,559

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 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	\$442,470	\$589,960

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety – Missouri State Highway Patrol** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of State Courts Administrator (CTS)** state the proposed legislation would modify several provisions relating to motor vehicles; including annual registration fees, commercial driver’s licenses and liens for motor vehicle services.

The bill would allow lienholders of motor vehicles and watercraft to petition the court to determine if the vehicle or watercraft was wrongfully withheld from the owner. CTS states they have no way of determining how often this procedure would be used.

CTS assumes any significant impact/increase in the workload of the courts will be reflected in future budget requests.

Officials from the **Department of Insurance** assume that the language affecting their organization in sections 385.200-385.212 is substantially similar to the language being repealed, which means the department will have staff in place to administer these provisions as of July 1, 2006. Therefore, no additional fiscal impact is anticipated.

ASSUMPTION (continued)

Also, sections 385.400-385.436 prohibits selling vehicle protection products in Missouri unless certain conditions are met. No additional staff are being requested as the department believes only a small number of entities will offer vehicle protection products. However, should a large number of entities offer vehicle protection products, the department may need to request additional staff to handle policy review, financial assurance and investigation.

Oversight assumes that if additional finances are necessary, the Department of Insurance may seek funds through the appropriation process.

Officials from the **Department of Transportation** assume that this legislation would change the annual registration fee for passenger motor vehicles, beyond local commercial motor vehicles, and local commercial vehicles to \$26.25 regardless of the horsepower of the vehicle. Based on the FY05 data, the net fiscal impact as a result of the changes in the registration fees for passenger motor vehicles, beyond local commercial motor vehicles and local commercial vehicles is as follows:

	FY07	FY08	FY09
Road Fund	\$252,615	\$288,065	\$291,036
Cities	268890	\$327,508	\$332,420
Counties	\$179,259	\$218,339	\$221,613

MoDOT also assumes to have positive annual increase of \$90,000 to the Road Fund because of SA 2, an amendment to receive bids electronically.

Officials from the **Department of Revenue (DOR)** state their Motor Vehicle Bureau will need to revise policies, procedures, administrative rules, forms, fee charts and license plate ordering to discontinue the local and commercial motor vehicle license plate categories that have been eliminated with the proposal and increase the plate ordering for the related/revised plate categories.

DOR assumes that vehicles currently registered at 6,000 lbs. would be valid to haul up to 12,000 lbs. and law enforcement would be notified accordingly. Thus, no costs for re-issuance are shown. Otherwise, over 1,000,000 plates in the 6,000 lb. category would have to be re-issued and DOR would incur additional costs. DOR will inform vehicle owners of the plate/fee changes through normal renewal registration reminders.

Implementation of the four-year placard will require a staggering of expiration to ensure the current requirement of four-year physician statement is ultimately coordinated with the expiration of the placard. Minimal saving may be realized in FY08, however the amount is unknown.

ASSUMPTION (continued)

DOR states the bill will affect the MORE (Missouri Online Registration Exchange) and legacy system regarding the fee changes. In addition, there will be minimal impact to programming required as a result of the four-year placard change. The costs associated with the programming will be absorbed internally.

DOR assumes there will be a decrease in revenue for the highway fund and an increase in revenue for cities and counties beginning in July 1, 2007 as shown below due to one passenger plate fee of \$26.25 for all passenger vehicles and commercial motor vehicles that were previously registered in 6,000, 9,000 and 12,000 lb. plates categories.

This proposal may increase Total State Revenues.

FY 2008	Highways (75%)	Cities (15%)	Counties (10%)	Total
Total Revenue				
Passenger Fees 6's and 12's:	\$2,305,142 <u>(\$2,355,619)</u>	\$511,533 <u>(\$157,557)</u>	\$341,022 <u>(\$105,038)</u>	\$3,157,697 <u>(\$2,618,214)</u>
Subtotal:	(\$50,477)	\$353,976	\$235,984	\$539,483
Based on biennial registration 75% of the \$50,477 will be incurred in FY '08	(\$37,858)	\$265,482	\$176,988	\$404,612
Total FY 2008	(\$37,858)	\$265,482	\$176,988	\$404,612

FY 2009	Highways (75%)	Cities (15%)	Counties (10%)	Total
Total Revenue				
Passenger Fees 6's and 12's:	\$2,305,142 <u>(\$2,355,619)</u>	\$511,533 <u>(\$157,557)</u>	\$341,022 <u>(\$105,038)</u>	\$3,157,697 <u>(\$2,618,214)</u>
Subtotal:	(\$50,477)	\$353,976	\$235,984	\$539,483
Based on biennial registration 100% of the \$50,477 will be incurred in FY '09	(\$50,477)	\$353,976	\$235,984	\$539,483
Total FY 2009	(\$50,477)	\$353,976	\$235,984	\$539,483

ASSUMPTION (continued)

Oversight will utilize DOR's estimates for the Highway Fund and for the fiscal impact on Cities and Counties.

Oversight assumes that there will be no impact for FY07 since the changes to sections 301.055, 301.057, and 301.058 will become effective July 1, 2007.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
HIGHWAY FUND			
<u>Loss - Department of Revenue</u>			
From various changes to vehicle registrations	<u>\$0</u>	<u>(\$37,858)</u>	<u>(\$50,477)</u>
ESTIMATED NET EFFECT TO HIGHWAY FUND	<u>\$0</u>	<u>(\$37,858)</u>	<u>(\$50,477)</u>
ROAD FUND			
<u>Revenue – Department of Transportation</u>			
Passenger Vehicle Registration Fee	\$0	\$2,379,168	\$2,414,856
Local CMV Registration Fees	\$0	\$680,726	\$690,937
Other Sources (Printing of Bid Books & Addenda)	\$90,000	\$90,000	\$90,000
<u>Loss – Department of Transportation</u>			
Beyond Local CMV Registration Fees	<u>\$0</u>	<u>(\$2,861,829)</u>	<u>(\$2,904,757)</u>
ESTIMATED NET EFFECTS TO ROAD FUND	<u>\$90,000</u>	<u>\$288,065</u>	<u>\$291,036</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
CITIES AND COUNTIES			
<u>Income - Cities</u>			
From various changes to vehicle registrations	<u>\$0</u>	<u>\$265,482</u>	<u>\$353,976</u>
<u>Income - Counties</u>			
From various changes to vehicle registrations	<u>\$0</u>	<u>\$176,988</u>	<u>\$235,984</u>
ESTIMATED NET EFFECT TO CITIES AND COUNTIES	<u>\$0</u>	<u>\$442,470</u>	<u>\$589,960</u>

FISCAL IMPACT - Small Business

Small businesses could see an increase or decrease in costs for vehicle registration as a result of this proposal.

DESCRIPTION

This proposal modifies various provisions relating to motor vehicles.

UNIFORM REGISTRATION FEES - This proposal changes the registration fee for all passenger motor vehicles and eliminates the reference to horsepower when determining registration fees (Section 301.070). A uniform charge of \$26.25 shall be charged for all passenger motor vehicles and commercial motor vehicles with a gross weight rating of twelve thousand pounds or less (Section 301.055 and Sections 301.057 and 301.058). These provisions have an effective date of July 1, 2007.

DEALER LICENSE PLATE LETTERS AND NUMBERS - This proposal makes several technical changes to provisions pertaining to manufacturer and dealer license plate letter and numbers. The current law contains erroneous references (Sections 301.130, 301.144, and 301.560).

SPECIALTY LICENSE PLATES ISSUANCE - The proposal allows the Department of Revenue to deny accepting applications and deny issuance of special license plates if no applications are received within 5 years from the effective date of the law authorizing the plate (Section 301.2998).

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DESCRIPTION (continued)

DRIVEAWAY SADDLEMOUNT COMBINATIONS - This proposal increases the maximum length for driveaway saddlemount combinations from 75 feet to 97 feet. Combinations having a length greater than 97 feet may not be operated on the interstate system (Section 304.170).

IDLE REDUCTION TECHNOLOGY WEIGHT INCREASE - This proposal provides that the maximum gross vehicle weight limit and axle weight limit for heavy-duty vehicles equipped with idle reduction technology may be increased (up to an additional 400 pounds) to account for the technology (Section 304.180).

EXPUNGEMENT OF RECORDS OF CDL HOLDERS - This proposal prohibits the expungement of a minor in possession charge for holders of commercial driver's licenses or persons operating commercial motor vehicles at the time of the violation (Section 311.326). The proposal also provides that no records shall be expunged for CDL holders who have been convicted of or pled guilty to an offense where the person's BAC is .04 or above (Section 302.545).

LIENS ON MOTOR VEHICLES FOR STORAGE OR SERVICES - This proposal modifies the law governing liens on motor vehicles for storage and repair fees. Under the proposal, a lienholder may apply for a title to a motor vehicle if the statutory notice is returned marked "not forwardable" or "addressee unknown." The application for the lien must be accompanied by a copy of the statutory notice given to the owner of the motor vehicle and other lienholders of interest. The proposal removes the requirement that the Department of Revenue must notify the motor vehicle owner or other lienholder of interest before issuing a lien title. The proposal adds a provision which allows the motor vehicle owner, trailer owner, vessel owner, etc. to file a petition to challenge whether such chattel was wrongfully taken (Section 430.082).

FAILURE TO APPEAR - This proposal includes failure to appear by a commercial license holder or operator of a commercial motor vehicle as an commercial driver offense requiring indefinite suspension until compliance (Section 302.700 and 302.755).

CDL MILITARY EXEMPTION - This proposal provides that a military member while driving a vehicle for military purposes is exempt from possessing a CDL. Current law provides that the military member must be driving a military vehicle to qualify for the exemption (Section 302.775).

ABANDONED MOTOR VEHICLES - Abandoned property sold under this proposal shall not be subject to the transfer notification provisions of sections 301.196 to 301.198 which require private sellers to notify Department of Revenue of sale. The proposal requires registered owners

DESCRIPTION (continued)

to present a copy of their most recent registration receipt or title for the abandoned property to law enforcement or towing company in order to have property released. Under the proposal, an insurer or a holder or a valid security interest shall not be required to present such documents (Section 304.155).

CERTIFICATION PROCEDURES FOR LOCAL LAW ENFORCEMENT OFFICIALS - This proposal requires the state patrol to establish a program to certify local law enforcement officers with respect to enforcing the provisions of Sections 304.170 to 304.230. The certification procedures established by the highway patrol shall include training, testing, on-the-job experience, data collection and other prescribed components. The certification procedures shall meet the requirements established by the Commercial Vehicle Safety Alliance (CVSA). The highway patrol is authorized to establish reasonable fees to cover the costs of training and certification. Beginning July 1, 2007, no law enforcement officer may make an arrest, issue a citation or conduct a commercial motor vehicle roadside inspection to determine compliance with the provisions of Sections 304.170 to 304.230 unless the law enforcement officer has satisfactorily completed a basic training course developed by CVSA and has been certified by the Highway Patrol.

REDEMPTION OF COMMERCIAL MOTOR VEHICLE ENFORCEMENT LAWS BY OUT-STATE LAW ENFORCEMENT OFFICIALS - Under this proposal, the power to conduct a commercial motor vehicle roadside inspection to enforce those sections is removed from all local law enforcement officers and agencies except those in Kansas City and the City of St. Louis.

AFFIRMATIVE DEFENSE FOR PROCEEDING THROUGH REDLIGHT WITH A MOTORCYCLE ("DEAD RED")- This proposal provides that a person operating a motorcycle who enters or crosses an intersection controlled by a traffic-control signal against a red light shall have an affirmative defense to that charge if the person establishes all of the following conditions:

- (1) The motorcycle has been brought to a complete stop;
- (2) The traffic-control signal continues to show a red light for an unreasonable time;
- (3) The traffic-control signal is apparently malfunctioning or, if programmed or engineered to change to a green light only after detecting the approach of a motor vehicle, the signal has apparently failed to detect the arrival of the motorcycle; and
- (4) No motor vehicle or person is approaching on the street or highway to be crossed or entered or is so far away from the intersection that it does not constitute an immediate hazard.

DESCRIPTION (continued)

The affirmative defense applies only to a violation for entering or crossing an intersection controlled by a traffic-control signal against a red light and does not provide a defense to any other civil or criminal action (Section 304.281).

CIVIL ENFORCEMENT OF TRAFFIC AND MOTOR VEHICLE VIOLATIONS - This proposal allows for the civil enforcement of certain traffic and motor vehicle violations. The proposal in large part converts various minor traffic and motor vehicle violations from low-grade misdemeanors to infractions. These provisions are contained in SB 1143 (2006).

SALVAGE VEHICLE - Under the current law, the definition of salvage vehicle includes a motor vehicle that has been damaged to the extent that the cost of repairs to rebuild it exceeds 75% of the fair market value of the vehicle. This proposal changes the damage threshold from 75% to 80%. In addition, this proposal restricts the 80% damage threshold to vehicles which have a manufacturer's model year designation of or later than the year in which the vehicle was damaged or any of the three preceding years (Section 301.010).

DISABLED PLACARDS - This proposal removes the \$4 fee charged for the permanent removable windshield disabled parking placard. The \$4 fee for a temporary replacement windshield placard remains intact. The proposal also requires the placard to be renewed every four years rather than two years (Section 301.140).

ELECTRONIC BIDDING - Under this proposal, the Highways and Transportation Commission is authorized to receive bids and bid bonds for any contract for construction, maintenance, repair, or improvement of any bridge or highway on the state highway system electronically via the Internet. At its discretion, the commission may elect to receive both electronic and paper bids, or the commission may specify electronic bidding exclusively for any proposed contract. The proposal establishes minimum criteria for the electronic bidding program. This provision of the proposal is similar to SB 908 (2006) (Section 227.102).

TOWING FEES - Under this proposal, whenever a tow company removes abandoned property pursuant to a law enforcement or department of transportation request, then the tow company may submit reasonable tow and storage fees, not to exceed \$300, to the entity requesting removal of the abandoned property (Section 304.155).

LICENSE PLATE COVERS - This proposal provides that license plates may be encased in transparent covers so long as the plates are plainly visible and their reflective qualities are not impaired. This provision is identical to SB 752 (2006)(Section 301.130).

STATE OF THE STATE TRANSPORTATION ADDRESS - This proposal eliminates the annual state of the state transportation address given by the Director of the Department of

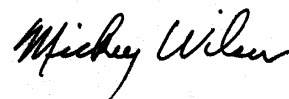
DESCRIPTION (continued)

Transportation to the General Assembly. This provision is identical to SB 1039 (2006)(Section 226.030).

SCHOOL BUS CHILDREN - This proposal enhances the penalties for those who fail to stop for school buses that are loading or unloading children. Under the proposal, any person who fails to properly yield or stop for a school bus and it results in the injury of any child shall be guilty of a Class D felony. Any person who fails to properly yield for a school bus where such violation causes the death of any child shall be guilty of a Class C felony. This provision is identical to SB 1079 (2006)(Section 304.070)

SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Revenue
Department of Transportation
Department of Public Safety – Missouri State Highway Patrol
Department of Insurance



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Director
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