

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0043-03  
Bill No.: SB 17  
Subject: Motor Vehicles; Highway Patrol; Buses; Law Enforcement Officers and Agencies; Roads and Highways  
Type: Original  
Date: February 13, 2007

Bill Summary: This proposal repeals the state safety inspection (except for the St. Louis Metropolitan area) and institutes primary enforcement of the seat belt law.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2009	FY 2010
General Revenue	(\$3,032)	Unknown	Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$3,032)</b>	<b>Unknown</b>	<b>Unknown</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
State School Moneys	\$0	\$0	\$0
Highway	(\$1,139,000)	(\$2,278,000)	(\$2,278,000)
Highway Patrol Inspection *	(\$561,000)	(\$1,122,000)	(\$1,122,000)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$1,700,000)</b>	<b>(\$3,400,000)</b>	<b>(\$3,400,000)</b>

**\* Note: The unappropriated/unspent balance of the Highway Patrol Inspection fund is transferred to the Road fund every two years.**

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state approximately \$4.5 million is deposited into state funds (Highway and Highway Patrol Inspection Funds) from the sale of 3 million safety inspection stickers and 4,500 station license fees. This proposal will reduce the number of safety inspections to approximately 750,000 and licensed inspection stations to approximately 900. As a result of these decreases, total state revenue will be reduced to approximately \$1.13 million, a loss of approximately \$3.4 million.

33 percent of the revenue is deposited into the Highway Patrol Inspection Fund and 67 percent is deposited into the Highway Fund. Therefore, the MHP assumes a net loss of \$1,122,000 (\$3.4 million x 33%) to the Highway Patrol Inspection Fund and \$2,278,000 (\$3.4 million x 67%) to the Highway Fund each year.

Since there is no appropriation that allows the Patrol to spend all of the 33% in the Highway Patrol Inspection Fund, the balance is transferred every two years to the Road Fund.

Officials from the **Department of Transportation (MoDOT)** state the portion of the bill related to primary enforcement of Missouri's safety belt law would qualify the state to receive a Section 405 incentive grant pursuant to SAFETEA-LU. A state must meet at least 4 of 6 criteria in order to qualify for a grant. Missouri currently meets 3 of the criteria; passage of a primary belt law would put us at the needed 4 criteria. Each state that qualifies for a grant receives up to 100 percent of its FY 2003 Section 402 apportionment (Missouri's FY '03 apportionment was \$3.4 million). This grant would be administered by the Highway Safety division to be utilized for behavioral highway safety programs.

MoDOT will lose approximately \$4.4 million annually if the inspection fee is eliminated. We received \$3 million directly each year and \$2.8 million biennially from the Highway Patrol Inspection Fund.

MoDOT assumes the department would continue to received money from the inspections that will still be carried out in the St. Louis area. MoDOT estimates FY 08 \$1,637,597, FY 09 \$847,033 & FY 10 \$1,637,597. These numbers are based on information from the Dept. of Revenue.

ASSUMPTION (continued)

**Oversight** assumes the issuance of the federal grant is speculative and therefore have not reflected it in the fiscal note.

Officials from the **Department of Revenue (DOR)** state they will need to:

- Revise policies and procedures, titling manuals, etc (electronically) regarding elimination of the safety inspection program in all areas of the state excluding the emissions areas;
- Notify all dealers at a cost of \$3,032, about the elimination of the safety inspection requirements in all areas of the state excluding the St. Louis Metropolitan area/emissions area. Related funding is requested.

OA-INFORMATION TECHNOLOGY - DOR

Due to the Statewide Information Technology Consolidation, DOR's response to a proposal will now also reflect the cost estimates prepared by OA-IT for impact to the various systems. As a result, the impact shown may not be the same as previous fiscal notes submitted. In addition, if the legislation is Truly Agreed to and Finally Passed the OA-IT costs shown will be requested through appropriations by OA-IT.

Office of Administration Information Technology (ITSD DOR) estimates that this legislation could be implemented utilizing existing resources of 3 existing CIT III's for 1 month at a rate of \$4,186. However, if priorities shift and additional FTE/overtime would be needed to implement, the cost will be approximately \$12,558. They plan to use existing resources to implement this legislation.

Officials from the **Office of the State Public Defender (SPD)** state while the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the Office of State Public Defender will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Officials from the **Office of Prosecution Services (OPS)** assume this proposal would not have a significant direct fiscal impact on county prosecutors or OPS.

Officials from the **Office of the State Courts Administrator (CTS)** state depending on the degree of enforcement, there could be a significant increase in the number of cases filed. However, CTS has no way of estimating the increase. Any significant increase would be reflected in future budget requests.

ASSUMPTION (continued)

Officials from the **Springfield Police Department** estimate the revenues for primary seat belt enforcement to be \$300 annually, and the officer and court costs to issue and process seat belt citations to be \$8,000 annually.

Officials from the **Department of Elementary and Secondary Education (DESE)** state there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

**Oversight** notes that local school districts would see an increase in fine revenue as a result of this proposal. As stated by DESE, this fine revenue would be a deduction the next year for some of the school districts. Oversight assumes an unknown amount of revenue would be realized each year by school districts and a corresponding decrease in school funding from the state the following year. Oversight assumes the fine revenue will fluctuate from year to year, therefore, the net fiscal impact to local school districts from FY 2009 on could be Unknown to (Unknown).

Officials from the **Kansas City Police Department, Jefferson City Police Department, St. Louis Metropolitan Police Department, St. Charles Police Department, and the St. Joseph Police Department** did not respond to our request for fiscal impact.

The repeal of the vehicle safety inspections portion of the bill has an effective date of January 1, 2008, therefore, **Oversight** will assume 6 months of impact in FY 2008.

**This proposal will reduce Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Savings</u> - Reduced appropriations to State School Moneys Fund (from deduction of fine revenue from previous year)	\$0	Unknown	Unknown
<u>Costs</u> - Department of Revenue Notification mailing	<u>(\$3,032)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$3,032)</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
 <b>STATE SCHOOL MONEYS FUND</b>			
<u>Savings</u> - reduced distribution to schools	\$0	Unknown	Unknown
<u>Losses</u> - reduced appropriations from the General Revenue Fund	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO THE STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
 <b>HIGHWAY FUND</b>			
<u>Loss</u> - Department of Transportation Fees associated with the elimination of vehicle inspections (except St. Louis)	<u>(\$1,139,000)</u>	<u>(\$2,278,000)</u>	<u>(\$2,278,000)</u>
<b>ESTIMATED NET EFFECT TO THE HIGHWAY FUND</b>	<b><u>(\$1,139,000)</u></b>	<b><u>(\$2,278,000)</u></b>	<b><u>(\$2,278,000)</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>HIGHWAY PATROL INSPECTION FUND</b>			
<u>Loss</u> - Highway Patrol / Department of Transportation			
Fees associated with the elimination of vehicle inspections (except St. Louis)	<u>(\$561,000)</u>	<u>(\$1,122,000)</u>	<u>(\$1,122,000)</u>
<b>ESTIMATED NET EFFECT TO THE HIGHWAY PATROL INSPECTION FUND*</b>	<b><u>(\$561,000)</u></b>	<b><u>(\$1,122,000)</u></b>	<b><u>(\$1,122,000)</u></b>

**\* Note: the unappropriated/unspent balance of the Highway Patrol Inspection Fund is transferred every two years to the Road Fund.**

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>LOCAL SCHOOL DISTRICTS</b>			
<u>Income</u> - fine revenue from primary seat belt enforcement	Unknown	Unknown	Unknown
<u>Loss</u> - reduction in state funding as a result of additional fine revenue in previous year.	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS</b>	<b><u>Unknown</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>

FISCAL IMPACT - Small Business

Small businesses that conduct vehicle safety inspections would be fiscally impacted as a result of this proposal.

### FISCAL DESCRIPTION

This proposal repeals the motor vehicle safety inspection program except for motor vehicles domiciled, primarily operated or registered in an emissions nonattainment area (St. Louis metropolitan area). The safety inspection remains in place for school buses on a state-wide basis and such inspections will be conducted by the highway patrol. The repeal of the state safety inspection becomes effective January 1, 2008.

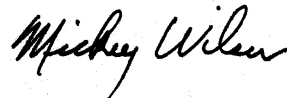
The act also allows law enforcement officers to stop a vehicle for a seat belt violation if the violation is clearly visible (primary enforcement).

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 Public Safety  
Missouri Highway Patrol  
Department of Revenue  
Department of Transportation  
Office of Prosecution Services  
Office of the State Public Defender  
Office of the State Courts Administrator  
Department of Elementary and Secondary Education  
Springfield Police Department

**NOT RESPONDING: Kansas City Police Department, Jefferson City Police Department, St. Louis Metropolitan Police Department, St. Charles Police Department, and the St. Joseph Police Department**



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February 13, 2007