

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0317-10
Bill No.: HCS for SCS for SB 104
Subject: Transportation Department; Public Safety Department; Roads and Highways
Type: Original
Date: April 18, 2007

Bill Summary: This proposal modifies provisions relating to the administration of various highway programs and to motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$850,161 to Unknown	Unknown to (\$11,869,061)	Unknown to (\$8,452,523)
Total Estimated Net Effect on General Revenue Fund	\$850,161 to Unknown	Unknown to (\$11,869,061)	Unknown to (\$8,452,523)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 36 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Road Fund	(Unknown) to \$2,712,000	(Unknown) to \$23,180,250	(Unknown) to \$16,026,512
School District Trust	\$0	(\$4,290,000)	(\$3,144,500)
Conservation	\$0	(\$536,250)	(\$393,063)
Parks and Soil	\$0	(\$429,000)	(\$314,450)
Motor Vehicle Commission Fund	(\$1,739 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
Highway Fund	(Greater than \$244,124)	(Greater than \$338,999)	(Greater than \$338,999)
Total Estimated Net Effect on <u>Other</u> State Funds	Less than \$2,466,137 to (Unknown)	Less than \$17,586,001 to (Unknown)	Less than \$11,835,500 to (Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Federal Funds	(\$0 to \$850,000)	(\$0 to \$850,000)	(\$0 to \$850,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$0 to \$850,000)	(\$0 to \$850,000)	(\$0 to \$850,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government*	Less than \$1,555,418	(\$6,775,582 to Unknown)	(\$4,461,582 to Unknown)

* Includes Cities, Counties and School Districts

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Gaming Commission, Department of Public Safety** and the **Office of the State Courts Administrator** assume this proposed bill would have no fiscal impact on their agency.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet

ASSUMPTION (continued)

these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Sections 43.010, 43.030, 43.090, 43.110, 43.120, 43.140, 43.210, 43.220

In response to a previous version of these sections from the **Missouri Department of Transportation, Department of Revenue** and the **Missouri Highway Patrol** assume these sections would have no fiscal impact to their departments.

Section 142.814 Exemption of motor fuel- buses

In response to similar legislation filed this year (HB 247) the following groups responded as follows:

Officials at the **Department of Elementary and Secondary Education (DESE)** and **Missouri Department of Transportation (MoDOT)** assume this section would create a savings to school districts and a loss to state revenues. DESE calculated the total miles traveled by school district owned and contracted buses was 126,067,918 for the 2005-2006 school year. By dividing total miles by an average of 7 miles per gallon, this yields 18,009,703 gallons of fuel used annually. Multiplying gallons of fuel used by 17 cents per gallon (the current Missouri fuel tax) results in an estimated annual fuel tax exemption for school districts of \$3,062,000. Adding the 1% growth rate the impact would be in FY 2008 \$2,577,000; FY 2009 \$3,122,000; FY 2010 \$3,154,000. These figures include the lost revenue to cities and counties.

The above estimate assumes that school bus contractors have arrangements or can make arrangements so that the Missouri fuel tax will not be paid by the school bus contractors thereby reducing the cost of bus transportation to school districts. For example, it is a practice by some school districts to purchase the fuel used by contractors.

Officials at the **Department of Revenue (DOR)** states there is no impact on Taxation. Even though school districts are exempt from federal tax, they are not exempt from state fuel tax. Taxation currently collects approximately \$800,000 to \$1,000,000 a year in state tax on dyed

ASSUMPTION (continued)

diesel fuel sold to school districts. It would create a loss of these revenues.

Oversight assumes this section is a loss to the Road Fund.

Section 142.817 Exemption of motor fuel tax - public transit

In response to similar legislation filed this year (HB 247) the following groups responded as follows:

Officials at the **Missouri Department of Transportation (MoDOT)** assume this section exempts motor fuel used for certain public transportation purposes from motor fuel tax.

MoDOT calculated that in Fiscal Year 2006 that transit authorities consumed an estimated 9,943,211 gallons of gasoline at the State Gas Tax Rate of \$.17 per gallon for a total of \$1,690,346 in gas tax being paid. MoDOT then calculated the loss of that money for the state, cities and counties.

Officials at the **Department of Revenue (DOR)** assume no fiscal impact to the DOR from this section. DOR assumes this legislation establishes an exemption. Exemptions reduce state tax due, therefore it will reduce state revenues.

Officials at the **City of Kansas City** state this bill applies to a city transportation authority. The City of Kansas City does not operate a transportation authority, those mass transit services are provided by the Kansas City Area Transportation Authority, which is partially funded by Kansas City. Any savings enjoyed by the KC ATA may be indirectly enjoyed by the City of Kansas City through greater services for the money now spent for transportation services if the KC ATA has additional funds available.

Oversight assumes the motor fuel tax exemption will be a loss to the Road Fund.

Section 144.062 Sales Tax Exemption on MoDOT projects

In response to similar legislation filed this year (HB 248) the following groups responded as follows:

Officials at the **Missouri Department of Transportation (MoDOT)** assume this legislation exempts contractors from paying sales tax on materials used in MoDOT projects. The sales tax which contractors currently pay on materials purchased for MoDOT projects is included in the project cost which is paid by MoDOT. Assuming that contractors would reduce their project

ASSUMPTION (continued)

costs due to the ability to purchase materials on a tax-exempt basis, this bill would result in a cost savings for MoDOT.

Based on 2007-2011 Statewide Transportation Improvement Program (STIP); 50 percent of construction contracts is labor, 50 percent is materials; July 1, 2008 effective date; sales tax rate of 4.225%. The cost savings were calculated as follows:

Fiscal Year	STIP Awards	% Materials	Material Cost	Sales Tax Rate	Cost Savings
2008	\$1,189,100,000	50%	\$594,550,000	4.225%	\$25,119,738
2009	\$858,000,000	50%	\$429,000,000	4.225%	\$18,125,250
2010	\$628,900,000	50%	\$314,450,000	4.225%	\$13,285,513
2011	\$490,000,000	50%	\$245,000,000	4.225%	\$10,351,250
2012	\$490,000,000	50%	\$245,000,000	4.225%	\$10,351,250

MoDOT assumes there would be an additional amount of cost savings for the local sales tax, however the amount would vary by city/county. Therefore the additional savings is unknown.

Oversight calculated the revenue impact to include a tax loss impact to local government with a sales tax rate of 2%. The chart below shows the breakdown of the tax impact on the projected materials cost.

Oversight assumes this proposal would create a savings for the Road Fund of \$26.7 million for FY2009 and \$19.5 million for FY2010. This savings is passed on to MoDOT as it is calculated into the materials cost submitted by the vendors. Combined gains in the Road Fund equal the losses to the General Revenue Fund, School District Trust Fund, Conservation Fund, Parks and Soils Fund and local city/county funds from this proposal.

Oversight assumes that a reduction in the federal reimbursement may occur as a result of the tax loss. The federal impact is unknown.

ASSUMPTION (continued)

	Fiscal Year 2009	Fiscal Year 2010
Materials Cost	\$429,000,000	\$314,450,000
GR Fund 3%	\$12,870,000	\$9,433,500
School Fund 1%	\$4,290,000	\$3,144,500
Conservation Fund .125%	\$536,000	\$393,063
Parks and Soil Fund .1%	\$429,000	\$314,450
Local 2%	\$8,580,000	\$6,289,000
Total Savings to Road Fund	\$26,705,250	\$19,574,512

Officials at the **Department of Revenue** assume no fiscal impact for their department for this proposal.

Officials at the **Department of Conservation (MDC)** state this legislation would appear to have a negative fiscal impact on MDC funds since it appears to exempt highway construction materials and other MoDOT projects from sales tax. However, MDC is unable to provide the estimated amount and will rely on DOR for the fiscal impact of this legislation.

Officials at the **City of Centralia**, and **St. Louis County** each assume no fiscal impact from this proposal. Officials at the **Taney County** and **Greene County** assume an unknown loss of revenue.

Section 227.295 Drunk Driving Memorial Sign

In response to similar legislation filed this year (HB 642) officials at the **Missouri Department of Transportation (MoDOT)** assume this section would require MoDOT to establish rules and regulations for the drunk driving victim memorial sign program. MoDOT would be responsible for establishing rules and regulations for the sign application process, the sign qualification process, the procedure for sign dedication, and procedures for replacement or restoration of signs that are damaged or stolen. MoDOT will also be responsible for determining placement, location and spacing of the signs. There should be no fiscal impact to MoDOT, because a “sponsoring fee” may be charged to cover costs in designing, constructing, placing and maintaining the signs, as well as MoDOT’s costs in administering the program.

ASSUMPTION (continued)

The total cost of two signs, one for each direction will be \$1,040. Based on statistics from the safety division, Missouri averages about 270 alcohol related fatalities per year. If signs are made in each instance, this would result in a total cost of \$280,800 per year. As stated in the bill, the cost will be paid by private donations for each 10 year term the signs are displayed.

Oversight assumes that since MoDOT would be charging a "sponsoring fee" that there would be no fiscal impact to the State or Road Fund for this proposal. MoDOT will be able to cover the entire cost of the program from the fee.

Section 301.010 Local Log Trucks

In response to similar legislation this year (SB349) the following responded as follows:

Officials at the **Missouri Department of Transportation (MoDOT)** assume the current law for "Local log truck" and "Local log truck tractor" appears to allow these vehicles to bypass our current overweight permitting process and allows heavier than normal legal loads that do not meet the customary limits of RSMo 304.180 to travel state highways within the current fifty mile radius. Potentially, expanding this area to one hundred miles could lead to additional damage and/or increased risk of unexpected collapse of existing bridges on our system. Also, additional "wear and tear" on our structures due to these overweight vehicles, where capacity of the individual bridge is not checked through our permit process, will likely shorten the life of our bridges on the state system and increase bridge maintenance needs. Considering the current condition of our bridges and lack of funding we feel this would have a detrimental impact on MoDOT's bridge infrastructure. MoDOT is unable to estimate the fiscal impact to the state road fund at this time. The cost likely would run in the millions of dollars for additional bridge replacements, increased bridge maintenance costs, re-rating analysis of these bridges, and installation of new posting signs.

Officials at the **City of Centralia, St. Louis County** and the **City of Kansas City** each assume that there is no fiscal impact from this proposal.

Oversight assumes that there is no direct fiscal impact from the implementation of this proposal on MoDOT or cities or counties. Road and bridge repair and replacement costs are figured into the on-going maintenance costs already performed by MoDOT, cities and counties.

Section 301.029 Self-propelled Sprayers

Officials at the **Department of Agriculture, Department of Revenue** and the **Missouri**

ASSUMPTION (continued)

Highway Patrol assume that there is no fiscal impact from this section.

Officials at the **Missouri Department of Transportation (MoDOT)** assume this section exempts self-propelled sprayers, floaters and other forms of implements of husbandry used for agricultural purposes from paying titling, registration and license plate fees. The fiscal impact to the department would be unknown but significantly greater than \$100,000.

Section 301.040 Ads in Driver Renewal Notices

Officials at the **Department of Revenue (DOR)** assume by eliminating advertising in the renewal notices, the department will have to incur all printing/envelope costs and additional postage costs for 3.8 million renewal notices each year. These expenses are \$538,333 in FY 08, \$665,380 in FY 09, and \$685,342 in FY 10. Currently, DOR only pays \$.18 per renewal notice for postage. All other forms, printing, and envelope costs are paid for by the vendor in accordance with the contract, in return for DOR allowing advertising to be included with the notices.

Section 301.143 Handicap Parking Signs

Officials at the **Department of Transportation** assume that there is no fiscal impact from this section.

Section 301.301 Replacement Tabs

Officials at the **Department of Revenue (DOR)** assume in FY'06 the department issued 16,669 replacement tabs due to theft in which the applicant paid the \$8.50 fee because he/she did not submit a police report. Since a police report is no longer required for tabs issued prior to January 1, 2009, there will be a decrease in replacement tab revenue of approximately \$118,333 in FY '08 and \$71,000 in the first half of FY'09 due to issuing these tabs at no fee due to theft. The \$8.50 replacement tab revenue is distributed as follows: \$1 to highway, \$7.50 is split 75-15-10 to highway fund and cities and counties.

The following loss would occur:

Highway Funds (\$102,667)

City Funds (\$17,749)

County Funds (11,833)

ASSUMPTION (continued)

Section 301.560 Dealer Plates

In response to similar legislation this year (SB 82) officials at the **Department of Revenue (DOR)** assume there will be an increase in plate revenue due to provisions that require DOR to issue (and the applicant to purchase) three plates for every registration (original plus two). This will require 514 motor vehicle dealers to purchase 744 additional dealer plates resulting in a revenue increase of \$7,812 and will require 62 boat dealers to purchase 84 additional certificates of number resulting in revenue increase of \$882.

DOR assumes there would be a decrease in revenue each year due to the following (Revenue projections are based on a January 1, 2008 effective date. However, since dealer plate fees for calendar year 2008 are collected in the last quarter of calendar year 2007, this revenue impact is also included):

**1798 mv dealers will need to purchase 7,377 fewer plates due to basing plate quantities on sales (this excludes dealers who made fewer than 6 sales per year) resulting in a decrease of \$77,459;

**84 boat dealers will need to purchase 436 fewer certificates of number due to basing certificate quantities on sales resulting in a decrease of \$4,578.

** These figures were adjusted since it is assumed each dealer is required to take 3 plates (original + 2).

Officials at the DOR assume they would require \$1,739 in paper costs to notify all dealers of the dealer licensure/plate related issues/title penalties at the time renewal instructions are sent out (no envelope and postage is required).

DOR states they will see savings from ordering fewer dealer plates (\$28,190 - Highway Fund) and boat dealer certificates of number (\$3,062 - General Revenue). DOR further states there could be an unknown revenue impact due to dealers purchasing more or less plates and certificates of number due to basing quantities on sales. DOR does not expect this impact to be substantial, due to the "up front" plate and certificate purchase requirements.

Officials from the **Office of the State Treasurer (STO)** state this section makes changes to the biennial transfer exemption for the motor vehicle commission fund to exclude gifts, donations, bequests, and federal money from the transfer. The amount transferred would be the balance of the fund at the end of the biennium that exceeds the previous fiscal year's expenditures. The impact to General Revenue and the Motor Vehicle Commission Fund due to the change is zero to unknown.

ASSUMPTION (continued)

Officials at the **DOR** assume an unknown decrease in revenue to the Motor Vehicle Commission Fund due to transferring any balance that exceeds 200% of the previous year's fiscal expenditures to General Revenue.

Section 301.640 Motor Vehicle Liens

In a previous response to similar legislation (SB 82) officials from the **Department of Revenue** and **Department of Insurance, Finance, and Professional Regulation** state this section of the proposal would have no fiscal impact on their respective agencies.

Section 302.305 Restrictive License Plates

Officials at the **Department of Revenue** assume an unknown increase in revenue from applicants who must purchase the restrictive license plates.

Sections 302.545, 302.755, 302.775, 311.526 Driver rules

In response to similar legislation filed this year (SB50 & HB 744) the following responded as follows:

Officials from the **Department of Revenue** state that the **Office of Administration Information Technology** estimates that this section could be implemented utilizing existing resources of 2 FTE's at a CITS 1 level (\$4,546) for 3 months. However, if priorities shift and additional FTE/overtime would be needed to implement, the cost will be approximately \$27,276. The effort includes extensive change to the Missouri Driver's License system (MODL).

According to officials from the **Missouri Department of Transportation (MoDOT)**, Section 302.545 provides that a person who is less than 21 years of age and whose driving privilege has been suspended or revoked for driving with 2/100 of one percent of blood alcohol content shall not have their record expunged if the person was holding a commercial driver's license at the time of the offense, and the person had a blood alcohol content of at least 4/100 of one percent. If the driver's blood alcohol content is under 4/100 or one percent, their record may be expunged two years after the date of such suspension or revocation, or when such person attains the age of twenty-one, whichever date first occurs.

According to an official from the Federal Motor Carrier Safety Administration, this provision would be a violation of 49 Code of Federal Regulation (C.F.R.), Section 384.225, which requires a state to retain records of commercial driver's license holder's traffic violations, in any type of

ASSUMPTION (continued)

vehicle, for a certain amount of time, which is determined based on the nature of the violation. The applicable section in this case is section 384.225(d), which requires this type of conviction to be retained for at least 3 years.

As currently written, the proposed legislation would subject the state to the withholding of federal funds pursuant to 49 C.F.R. Section 384.401.

- For the first year of a violation, 5% of funds, or approximately \$25 million
- For second and subsequent years, 10% of funds, or approximately \$50 million

Missouri would also be subject to withholding of Motor Carrier Safety Assistance Program (MCSAP) and New Entrant grant moneys. The amount Motor Carrier Services would lose under such a withholding would be approximately \$2,600,000.

Officials at the **Department of Revenue (DOR)** state that the Office of Administration Information Technology (ITSD DOR) estimates that this legislation could be implemented utilizing existing resources of 2 FTE's at a CITS 1 level (\$4,546) for 3 months. However, if priorities shift and additional FTE/overtime would be needed to implement, the cost will be approximately \$27,276. The effort includes extensive change to the Missouri Driver's License system (MODL).

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

Officials at the **Office of the State Public Defender, Missouri Highway Patrol** and the **Department of Corrections** assume that there is no fiscal impact from this proposal.

Oversight assumes that any cost associated with the implementation of this proposal could be absorbed with existing resources.

Section 304.032 Utility Vehicles

In response to similar legislation filed this year (HB 397) the following responded as follows:

Officials at the **Office of the State Public Defender** assume passage of this section increases penalties on existing crimes or creates new crimes. The number of new cases may be too few or uncertain to request additional funding for this specific bill.

ASSUMPTION (continued)

Officials at the **Office of the Attorney General** assume this proposed section includes provisions for new criminal acts which potentially creates new additional obligations for prosecuting attorneys. Any increase in the number of cases referred for criminal prosecution and any new statutory obligations for prosecutors will have an additional fiscal impact on County Prosecutors. However, officials from the Office of Prosecution Services are not aware of any estimates of the number of additional criminal cases that would be referred to County Prosecutors for charges because of this proposed legislation. Additionally, the Office of Prosecution Services is not otherwise able to establish a workable estimate of the number of additional criminal cases that would be referred to County Prosecutors for charges or how many additional hours the proposed statutory obligations would require of prosecutors. It is therefore, not possible to determine the extent to which this proposal would have a direct fiscal impact on County Prosecutors for the Office of Prosecution Services.

Oversight assumes that it is difficult to estimate the number of individuals who would violate the provisions of this proposal. Oversight assumes that the Office of the State Public Defender and the Office of Prosecution Services could absorb the cost of any cases arising from this legislation. Should a large number of cases arise then they could seek additional money through the appropriation process.

Officials at the **Department of Natural Resources , Department of Revenue, Department of Transportation, Department of Agriculture, Department of Conservation, and the Missouri Highway Patrol** assume that there is no fiscal impact from this proposal.

Officials at the **City of Kansas City** and the **City of Centralia** assume that any costs associated with issuing the permits will be offset by the revenue for the permits.

Section 304.304 Commercial Vehicle Officers

In response to a similar legislation filed this year (SB 484) the **Boone County Sheriff's Office** assumed their agency may incur additional costs from the initial certification and re-certification by the MHP.

Oversight assumes local police departments and sheriff's offices may decide to become certified by the Highway Patrol in order to have the authority to conduct random roadside examinations or inspections. Oversight assumes the local police departments and sheriff's offices may incur additional expense in getting this certification. Therefore, Oversight will range the expense to local political subdivisions from \$0 to (Unknown). Oversight also assumes the MHP would

ASSUMPTION (continued)

collect fees for these certifications enough to cover their expenses. Oversight will assume a zero net effect to the state's Highway Fund.

Officials at the **Missouri Highway Patrol (MHP)** assume the Commercial Vehicle Enforcement Division of the MHP currently employs 141 Commercial Vehicle Officers. The proposed section requires current Commercial Vehicle Officers to comply with the mandatory standards regarding police officer basic training and licensure. The required training is 600 hours for 15 weeks. The cost for providing the training is \$275 per week per student, which is equal to \$4,125 (\$275 x 15 weeks). The total cost to train the 141 Commercial Vehicle Officers would be \$581,625 (\$4,125 x 141 officers).

A total of six training classes would need to be held with approximately 23 - 26 students per class. Due to time constraints, it will not be possible to hold classes in FY 2008, therefore classes will begin in FY 2009 and the order will be as follows:

\$ 94,875 (\$4,125 X 23 officers) for FY 2009
\$ 94,875 (\$4,125 X 23 officers) for FY 2010
\$ 94,875 (\$4,125 X 23 officers) for FY 2011
\$ 94,875 (\$4,125 X 23 officers) for FY 2012
\$ 94,875 (\$4,125 X 23 officers) for FY 2013
\$107,250(\$4,125 X 26 officers) for FY 2014

Section 304.170 Driveway Saddlemount Combinations

In response to similar legislation filed this year (SB 82) the following responded as follows:

Officials from the **Missouri Department of Transportation (MoDOT)** and **Department of Revenue** assume the proposal will have no fiscal impact on their organizations.

MoDOT notes that this section of the proposal is federally mandated under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) enacted August 10, 2005, as public law 109-59. Section 4141 of SAFETEA-LU amended 49 United States Code (U.S.C.) Section 31111(b)(1) by adding paragraph (D) which prohibits states from prescribing or enforcing a regulation that imposes a vehicle length limitation of not less than or more than 97 feet on a drive away saddle mount with full mount vehicle transporter combinations.

ASSUMPTION (continued)

Section 307.100 Motorcycle Headlamps

Officials at the **Missouri Department of Transportation, Missouri Highway Patrol** and the **Office of the State Public Defender** assume that there is no fiscal impact from this section.

Section 307.179 Child Booster Seats

In response to similar legislation filed this year (SB 445) the following responses were received:

Officials at the **Missouri Department of Transportation (MoDOT)** assume this section will allow church buses and vans to be exempted from the requirement in 307.179 that children under the age of 16 being transported in a motor vehicle to be properly restrained. While buses, if they do not already have safety belts installed in them, are already exempted, a state cannot allow vans to be exempted by law and still qualify to receive the federal incentive grant for having a child passenger restraint law.

The National Highway Traffic Safety Administration has allowed states to have an exemption for school buses and public carriers for hire, but does not allow exemptions for passenger vans. MoDOT is unsure at this time if we will still be able to receive the SAFETEA-LU incentive grant under section 2011 (booster seat incentive grant). The grant is approximately \$850,000 annually.

Oversight shows the potential loss of the federal grant with the adoption of this proposal as \$0 to \$850,000.

Sections 385.403, 385.406, 385.409, 385.412, 385.415, 385.418, 385.421, 385.424, 385.427, 385.430, 385.433, 385.436 MO Vehicle Protection Product Act

Officials at the **Missouri Department of Transportation** assume that there is no fiscal impact from this section.

Section 387.075 and 390.030 Household goods carriers

In response to similar legislation filed this year (SB 45) the following groups responded as follows:

Officials at the **Missouri Department of Transportation (MoDOT)** assume the number of carriers regulated for household goods moving would increase, due to the large number of commercial zone only movers operating in St. Louis, Kansas City and Springfield among others.

ASSUMPTION (continued)

By increasing the number of motor carriers and their motor carrier vehicles within the Missouri Highway and Transportation Commission's (MHTC) regulatory jurisdiction, this legislation would generate additional license fee revenues for MHTC from the sale of additional regulatory licenses to these carriers pursuant to section 390.136, RSMo. The positive fiscal impact for the additional license fees is unknown.

This section would also result in a significant number of additional motor carriers applying to MHTC for operating authority certificates and permits to transport household goods, because the changes to section 390.030 would eliminate the exemptions currently applicable to motor vehicles operated wholly within a single municipality, or between contiguous municipalities, or within a commercial zone as defined in § 390.020, RSMo, or a commercial zone as defined by an administrative order issued under § 390.041(4), RSMo. This increase in the number of household goods motor carrier operating authority applications would place an undetermined additional workload on MoDOT's Motor Carrier Services Division to process these new applications, and to enforce the requirements of chapter 390, RSMo, with reference to these formerly exempt motor carriers. The cost to implement these provisions is unknown. However, MoDOT does not believe the cost to implement this legislation will be more than the revenue received.

Officials at MoDOT assume the total fiscal impact of this legislation is unknown.

Oversight assumes that there will be an increase in the revenue generated from the issuance of the additional license fees and that the revenue generated will be greater than the cost to MoDOT to implement the proposal. The fiscal impact is unknown.

Section 390.021 Unified Carrier Registration Act

In response to similar legislation filed this year (HB 744) the following groups responded as follows:

Officials at the **Missouri Department of Transportation (MoDOT)** assume the Unified Carrier Registration (UCR) Agreement was established in the federal UCR Act of 2005, as part of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (Public Law 109-59, August 10, 2005). The UCR Act repeals and replaces the federal Single State Registration System (SSRS), the current system under which the states operate, effective January 1, 2007.

ASSUMPTION (continued)

Upon the January 1, 2007 repeal of SSRS, states operating under SSRS will be prohibited from continuing to collect interstate regulatory license fees and regulatory license fees from interstate motor carriers that are exempted from SSRS, regardless of whether or not the state has joined the UCR Agreement. This legislation is necessary to allow the State to participate in the new Federal registration act "UCR" and continue to collect fees. If Missouri does not pass this legislation, we will be prohibited from future participation.

Passage of this section will allow MoDOT to continue to collect an estimated \$2,342,000 in registration fees. If this legislation does not pass, Missouri forfeits the registration fees to another state who does participate in UCR. MoDOT assumes no fiscal impact as long as this legislation passes. If not the department will have a \$2,342,000 loss in registration fees annually

Oversight assumes that the state will comply with federal law and not lose the annual registration fee revenues.

Section 407.732 Rental Cars

In response to similar legislation this year (HB 1029) officials from the **Office of Attorney General** assume that any potential costs arising from this section can be absorbed with existing resources.

Section 407.815 Motor Vehicle Franchise Practices Act

In response to similar legislation filed this year (SB 82) the following responded as follow:

Officials from the **Administrative Hearing Commission** anticipate that this legislation will not significantly alter its caseload; however, if other similar bills also pass, there will be fiscal impact. If there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Revenue** and the **Missouri Department of Transportation** state this section of the proposal will have no fiscal impact on their respective agencies.

Section 306.015, 306.016, 306.535 Vessel Titling Penalties

Officials at the **Department of Revenue** assume the same number of applicants will be delinquent in titling vessels and outboard motors and registering documented vessels with the new increased penalties in place as the current penalties, there will be an increase in General Revenue funds in vessel/outboard motor title and documented vessel penalties in the amount of \$1,389,128 in FY'08 and \$1,666,953 each fiscal year thereafter.

ASSUMPTION (continued)

Section 577.051 Drug Records

In response to similar legislation this year (SB 226) the following responded as follows:

Officials from the **Missouri Highway Patrol, Missouri State Water Patrol, Department of Revenue** and the **Department of Social Services** assume the proposal would have no fiscal impact on their agencies.

Sections 577.600, 577.602, 577.612 Ignition Interlock

Officials at the **Missouri Department of Transportation** assume that there is no fiscal impact from this section.

Sections 301.550, 302.010, 302.700

These are changes to definitions and therefore have no direct fiscal impact on state funds.

Section 301.007, 301.130, 301.144, 301.147, 301.221, 301.225, 301.229, 301.301, 301.569, 301.640, 302.063, 302.272, 302.275, 302.304, 302.309, 302.321, 302.525, , 302.720, 304.070,, 304.180, 304.284,, 307.365, 307.366 390.372, 407.730

No agencies responded that there would be a fiscal impact from these sections.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Loss</u> - General Revenue Fund			
Exemption of sales tax - MoDOT projects (144.062)	\$0	(\$12,870,000)	(\$9,433,500)
<u>Income</u> - Department of Revenue			
Additional boat certificates of number (301.560)	\$882	\$882	\$882
<u>Savings</u> - Department of Revenue			
Fewer boat dealer certificates ordered (301.560)	\$3,062	\$3,062	\$3,062
<u>Cost</u> - Department of Revenue			
Cost of mailing registration notices without ads (301.040)	(\$538,333)	(\$665,380)	(\$685,342)
<u>Income</u> - Department of Revenue			
purchase of restrictive license plates (302.305)	Unknown	Unknown	Unknown
<u>Income</u> - General Revenue			
Biennial transfer from the Motor Vehicle Commission Fund (301.560)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Income</u> - Department of Revenue			
vessel titling penalties (306.015)	\$1,389,128	\$1,666,953	\$1,666,953
<u>Loss</u> - Department of Revenue			
Fewer dealer plates sold (301.560)	<u>(\$4,578)</u>	<u>(\$4,578)</u>	<u>(\$4,578)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$850,161 to Unknown</u>	<u>Unknown to (\$11,869,061)</u>	<u>Unknown to (\$8,452,523)</u>

ROAD FUND

<u>Loss</u> - Department of Transportation Motor Fuel Tax - Buses (142.814)	(\$1,887,000)	(\$2,287,000)	(\$2,310,000)
<u>Loss</u> - Department of Transportation Motor Fuel Tax- transit (142.817)	(\$825,000)	(\$1,238,000)	(\$1,238,000)
<u>Savings</u> - Road Fund Exemption of sales tax - MoDOT projects (144.062)	\$0	\$26,705,250	\$19,574,512
<u>Income</u> - Department of Transportation Sponsoring Fee (227.295)	\$234,000	\$280,800	\$280,800
<u>Cost</u> - Department of Transportation Expenses of creating signs (227.295)	(\$234,000)	(\$280,800)	(\$280,800)
<u>Revenues</u> - Department of Transportation Additional license fee revenues (Section 387.075)	Unknown	Unknown	Unknown
<u>Cost</u> - Department of Transportation Additional workload because of increase in motor carrier applications (Section 387.075)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON ROAD FUND	<u>(Unknown) to</u> <u>\$2,712,000</u>	<u>(Unknown) to</u> <u>\$23,180,250</u>	<u>(Unknown) to</u> <u>\$16,026,512</u>

HIGHWAY FUND

Income - Department of Revenue

Additional dealer plates issued (Section 301.560)	\$7,812	\$7,812	\$7,812
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Savings - Department of Revenue

Fewer dealer plates ordered (Section 301.560)	\$28,190	\$28,190	\$28,190
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<u>Revenue</u> - fee from police departments and sheriff's offices to become certified to conduct random roadside examinations or inspections of commercial vehicles. (304.230)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
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<u>Cost</u> - to MHP of certification (304.230)	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
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<u>Cost</u> - Missouri Highway Patrol commercial vehicle enforcement training (304.230)	\$0	(\$94,875)	(\$94,875)
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<u>Cost</u> - Department of Transportation Self-propelled sprayers (301.029)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
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<u>Loss</u> - Department of Revenue Fewer dealer plates sold (301.560)	(\$77,459)	(\$77,459)	(\$77,459)
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<u>Loss</u> - Department of Revenue replacement tabs (301.301)	<u>(\$102,667)</u>	<u>(\$102,667)</u>	<u>(\$102,667)</u>
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**ESTIMATED NET EFFECT ON
HIGHWAY FUNDS**

<u>(Greater than \$244,124)</u>	<u>(Greater than \$338,999)</u>	<u>(Greater than \$338,999)</u>
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OTHER STATE FUNDS

SCHOOL DISTRICT FUNDS

<u>Loss</u> - School District Trust Fund			
Exemption of sales tax - MoDOT projects (144.062)	<u>\$0</u>	<u>(\$4,290,000)</u>	<u>(\$3,144,500)</u>

ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS	<u>\$0</u>	<u>(\$4,290,000)</u>	<u>(\$31,445,000)</u>
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CONSERVATION FUND

<u>Loss</u> -Exemption of sales tax - MoDOT projects (144.062)	<u>\$0</u>	<u>(\$536,250)</u>	<u>(\$393,063)</u>
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ESTIMATED NET EFFECT ON CONSERVATION FUND	<u>\$0</u>	<u>(\$536,250)</u>	<u>(\$393,063)</u>
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PARKS AND SOIL FUND

<u>Loss</u> - Exemption of sales tax - MoDOT projects (144.062)	<u>\$0</u>	<u>(\$429,000)</u>	<u>(\$314,450)</u>
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ESTIMATED NET EFFECT ON PARKS AND SOIL FUND	<u>\$0</u>	<u>(\$429,000)</u>	<u>(\$314,450)</u>
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**MOTOR VEHICLE COMMISSION
 FUND**

<u>Cost</u> - Department of Revenue			
Dealer Notification (301.560)	(\$1,739)	\$0	\$0

<u>Loss</u> - Motor Vehicle Commission Fund			
Biennial transfer of money to			
General Revenue (301.560)	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>

ESTIMATED NET EFFECT ON MOTOR VEHICLE COMMISSION	<u>(\$1739 to Unknown)</u>	<u>(\$0 to Unknown)</u>	<u>(\$0 to Unknown)</u>
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FEDERAL FUNDS

<u>Loss</u> - SAFETEA-LU grant (307.179)	<u>(\$0 to \$850,000)</u>	<u>(\$0 to \$850,000)</u>	<u>(\$0 to \$850,000)</u>
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ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$0 to \$850,000)</u>	<u>(\$0 to \$850,000)</u>	<u>(\$0 to \$850,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
SCHOOL DISTRICTS			
<u>Savings</u> - School Districts			
Motor Fuel Tax- buses (142.814)	\$2,577,000	\$3,122,000	\$3,154,000
CITIES			
<u>Loss</u> - Cities			
Motor Fuel Tax - Buses (142.814)	(\$387,000)	(\$468,000)	(\$473,000)
Motor Fuel Tax- transit (142.817)	(\$169,000)	(\$254,000)	(\$254,000)
<u>Loss</u> - Department of Revenue replacement tabs (301.301)	(\$17,749)	(\$17,749)	(\$17,749)
COUNTIES			
<u>Loss</u> - Counties			
Motor Fuel Tax - Buses (142.814)	(\$303,000)	(\$367,000)	(\$371,000)
Motor Fuel Tax- transit (142.817)	(\$133,000)	(\$199,000)	(\$199,000)
<u>Loss</u> - Department of Revenue replacement tabs (301.301)	(\$11,833)	(\$11,833)	(\$11,833)
CITY/COUNTIES			
<u>Loss</u> - Cities and Counties			
Exemption of sales tax - MoDOT projects (144.062)	\$0	(\$8,580,000)	(\$6,289,000)
<u>Cost</u> - to police departments and sheriff's offices to become certified by the MHP to conduct random roadside examinations or inspections of commercial vehicles. (304.230)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON ALL LOCAL FUNDS	<u>Less than</u> <u>\$1,555,418</u>	<u>(\$6,775,582 to</u> <u>Unknown)</u>	<u>(\$4,461,582 to</u> <u>Unknown)</u>

FISCAL IMPACT - Small Business

There may be a fiscal impact to small businesses as a result of this proposal.

FISCAL DESCRIPTION

HIGHWAY SAFETY. This act changes several references to the Division of Highway Safety to the state highways and transportation commission. In 2003, Governor Holder transferred the powers and duties of the Division of Highway Safety under the Department of Public Safety to MoDOT. References to the Division of Highway Safety or the Department of Public Safety as it pertains to highway safety functions need to be changed to accurately reference the state Highways and Transportation Commission. The act specifically provides that the commission shall have the responsibility and authority for the administration of:

- (1) All state highway safety programs;
- (2) The annual preparation of the Missouri Highway Safety Plan and the receipt of federal highway safety funds;
- (3) Regulations relating to approval of driver-improvement, motorcycle safety and ignition interlock programs;
- (4) Compliance with any federal laws or rules required as a condition precedent to secure federal highway safety funds; and
- (5) Contracts, licenses and authorizations issued by the Division of Highway Safety prior to August 28, 2003.

The act expands membership of the Motorcycle Safety Program Advisory Committee from seven to eight members to create a place for a MoDOT representative.

This act updates several sections of law relating to the operations of the highway patrol. The highway patrol was under the direction and authority of the highway commission until the early 1940's. This act repeals several superannuated laws that no longer apply to the operations of the highway patrol due to modernization of state government, technology and other statutes and adopted procedures.

The act removes the definition of the highway commission from chapter 43 since the commission no longer has oversight over the highway patrol. The act removes the current statutory requirement for the superintendent of the highway patrol to reside within the city limits of Jefferson City. The act removes the requirement that general headquarters be open at all times and the requirement that a telegraph be available. The act removes the requirement that the highway commission approve all personnel expenses and changes where civil witnesses fees are deposited. The act changes the requirement that the superintendent divides the state into troops

FISCAL DESCRIPTION (continued)

instead of districts and removes the requirement that the highway patrol send an end of the year fiscal report to the governor and the highway commission. The act removes the requirement that the superintendent, major, director of radio and budget personnel be bonded with the highway commission. The act changes statutory direction to the highway patrol to deliver those arrested directly to the court, to "their designee," such as an appropriate jail or sheriff. (Chapter 43)

SCHOOL BUS TAX EXEMPTION - This bill exempts fuel used in school buses from the motor fuel tax when the bus is driven to transport students for educational purposes.

MASS TRANSIT TAX EXEMPTION - This bill authorizes an exemption from the motor fuel tax for motor fuel sold for use by an interstate transportation authority, a city transit authority, or a city utilities board to operate a public mass transportation facility. (142.817)

SALES TAX EXEMPTION ON MODOT PROJECTS - This act exempts contractors from paying sales taxes on materials used in Department of Transportation projects. The sales tax exemption does not go into effect until July 1, 2008.

DRUNK DRIVING MEMORIAL SIGN PROGRAM. The department must adopt, by rules and regulations, program guidelines for the application and placement of signs including the sign application and qualification process, a procedure for the dedication of signs, and a procedure for the replacement or restoration of any signs that are damaged or stolen.

Any person may apply to the department to sponsor a drunk driving victim memorial sign in memory of an immediate family member who died as a result of a motor vehicle accident caused by a person who was shown to have been operating a motor vehicle in violation of an alcohol-related traffic law at the time of the accident. A person who is not a member of the victim's immediate family may also make a request if he or she submits the written consent of a member of the victim's immediate family. The department will charge the sponsoring party a fee to cover the department's cost in designing, constructing, erecting, and maintaining the sign. Signs will remain in place for 10 years and may be renewed for another 10 years after payment of the appropriate maintenance fees.

The signs developed by the department must resemble a Missouri license plate and will feature the words "Drunk Driving Victim!", the initials of the deceased victim, the month and year in which the victim was killed, and the phrase "Who's Next?". All private roadside memorials or markers commemorating the death of a drunk driving victim are prohibited. No person, other than a department employee or designee, may erect a drunk driving victim memorial sign. (Section 227.295)

JH:LR:OD (12/06)

FISCAL DESCRIPTION (continued)

LOCAL LOG TRUCK - This act modifies the definitions of the terms "local log truck" and "local log truck tractor" by expanding the area in which such vehicles can operate. Under current law, such vehicles are to operated at a forested site and in area extending not more than a 50 mile radius from such site. The act increases the radius to 100 miles. (Section 301.010).

SELF-PROPELLED SPRAYERS - This act exempts self-propelled sprayers, floaters, and other forms of implements of husbandry that are used for spraying chemicals or spreading fertilizer from complying with titling, registration and license plate display laws. The exemption from titling, registration, and the display of license plates applies whether the described vehicles are laden or unladen. (Section 301.029)

COMMERCIAL INSERTS IN MOTOR VEHICLE REGISTRATION NOTICES - This act prohibits commercial inserts or other forms of advertising from accompanying motor vehicle registration notices. (Section 301.040).

STOLEN LICENSE PLATE TABS - This act modifies the stolen license plate tabs procedure for obtaining free tabs from the Department of Revenue. Under current law, a person replacing stolen license plate tabs may receive two sets of two license plate tabs for free if the person submits a police report with the application. This act would modify the procedure by requiring any person replacing stolen license plate tabs issued prior to January 1, 2009, to submit a notarized affidavit to that effect. For persons replacing stolen license plate tabs issued on or after January 1, 2009, the person will have to submit a police report with his or her application. (Section 301.301).

DISTINCTIVE DEALER LICENSE NUMBERS - The act modifies the provision which sets forth the dealer license number designations, including the creation of recreational motor vehicle dealer license plate designations (RV-0_ through RV -9999) for new and used recreational motor vehicle dealers (section 301.560.4). The dealer designations shall take effect no later than December 1, 2008.

RE-ISSUANCE OF LICENSE PLATES - The act also modifies the law regarding the re-issuance of license plates. The current law provides that re-issuance must occur beginning January 1, 2009. This act modifies the re-issuance provision by granting the director more discretion when to begin re-issuance so long as it occurs no later than January 1, 2009. (Section 301.130)

FISCAL DESCRIPTION (continued)

LICENSE PLATE COVERS - This act 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. (Section 301.130).

LIMITATION ON ISSUANCE OF DEALER PLATES - Under the act, the department shall issue to new motor vehicle manufacturers and other dealers 1 distinctive dealer plate and 2 additional number plates. The fee for the 2 additional number plates is \$21 (Section 301.560.6). Under the act, new motor vehicle manufacturers shall not be issued or possess more than 347 additional number plates or certificates of number annually. New and used motor vehicle dealers, powersport dealers, wholesale motor vehicle dealers, boat dealers, and trailer dealers are limited to 1 additional plate or certificate of number per ten-unit qualified transactions annually. New and used recreational motor vehicle dealers are limited to two additional plates or certificate of number per ten-unit qualified transactions annually for their first fifty transactions and one additional plate or certificate of number per ten-unit qualified transactions thereafter. An applicant seeking the issuance of an initial license shall indicate on his or her initial application the applicant's proposed annual number of sales in order for the director to issue the appropriate number of additional plates or certificates of number. Wholesale and public auctions shall be issued a certificate of dealer registration in lieu of a dealer number plate (Section 301.560.6).

LICENSE PLATES - The act also makes several technical changes to provisions pertaining to manufacturer and dealer license plate letter and numbers. The current law contains erroneous references. The changes in section 301.560.4 occur on the date when the director reissues new license plates or December 1, 2008, whichever occurs first (Sections 301.130, 301.144, and 301.560).

RELEASE OF MOTOR VEHICLE LIENS - This act requires a lienholder to release a motor vehicle lien within 5 business days after the lien has been satisfied. The current law gives the lienholder 10 business days to release the lien. The act also requires the lienholder to notify the Department of Revenue within 5 business days if the certificate of ownership is in the department's possession. The act also increases the fines for noncompliance with the time deadlines. The act imposes a graduated liquidated damages scale with a maximum amount of \$2,500 in damages that can be imposed for each lien not timely released. The current law provides for a maximum fine or penalty of \$500 for each lien not timely released (section 301.640).

RESTRICTED LICENSE PLATES - Under this act, any person whose driver's license has been suspended, revoked, or disqualified for a period of not less than 60 days or if the person is denied for alcohol or manslaughter violations under the law, shall immediately surrender his or her

FISCAL DESCRIPTION (continued)

current license plates to the director of the department of revenue for destruction. The person shall be issued a set of restricted license plates that are different in color from regular plates which shall be displayed on the motor vehicle or motor vehicles registered solely or jointly in the person's name for the period of the suspension, revocation, denial, or disqualification.

Under the act, law enforcement officers shall have probable cause to stop any vehicle displaying restricted license plates to determine whether the driver of such vehicle has a valid driver's license or a limited driving privilege.

Under the act, a registered owner of a motor vehicle who has been issued restricted license plates may not sell the motor vehicle during the period the vehicle is required to display the plates unless the registered owner applies to the department of revenue for permission to transfer title to the motor vehicle. If the director is satisfied that the proposed sale is in good faith and for a valid consideration, and that the sale or transfer is not for the purpose of circumventing the provisions of the act, the director may certify its consent to the owner of motor vehicle. Any vehicle acquired by the applicant during the period of restriction shall display the restricted license plates (Section 302.305).

UTILITY VEHICLES - This act defines the term "utility vehicle" as any motorized vehicle manufactured and used exclusively for off-highway purposes which is 63 inches or less in width, has an unladen dry weight of 1,900 pounds or less, travels on four or six wheels, and is used primarily for agricultural, landscaping, lawn care, or maintenance purposes. Under the act, a utility vehicle shall not be operated upon the highways of this state except:

- (1) Governmental owned and operated utility vehicles for official use;
- (2) Utility vehicles operated for agricultural purposes or industrial on-premise purposes between the official sunrise and sunset;
- (3) Utility vehicles operated occasionally by handicapped persons for short distances only on the state secondary roads between the hours of sunrise and sunset;
- (4) Utility vehicles which have been issued special permits by a city to be used on highways within the city limits by licensed drivers. The city may impose a \$15 fee for such permit; and
- (5) Utility vehicles which have been issued special permits by a county to be used on highways within the county limits by licensed drivers. The county may impose a \$15 fee for the permit.

No person shall operate a utility vehicle:

- (1) In a careless way so as to endanger the person or property of another; or
- (2) While under the influence of alcohol or a controlled substance.

FISCAL DESCRIPTION (continued)

No person shall operate a utility vehicle within any stream or river except by an operator who owns the property or has permission to be on the property on which the waterway flows through or when fording a low-water crossing. A person operating a utility vehicle on a highway shall have a valid operator's or chauffeur's license. The vehicle shall not be operated at a speed of more than 30 miles per hour on a highway. No operator of a utility vehicle shall carry a passenger, except for agricultural purposes, unless the seat of the utility vehicle is designed to carry more than one person. Utility vehicles are exempt from titling and registration.(section 304.032).

DRIVEAWAY SADDLEMOUNT COMBINATIONS - This act increases the maximum length for driveaway saddlemount combinations from 75 feet to 97 feet when operated on the interstate highways.(Section 304.170).

MOTORCYCLE HEADLAMP MODULATORS - This act allows a motorcycle headlamp to be wired or equipped to allow either its upper beam or its lower beam, but not both, to modulate from a higher intensity to a lower intensity at a rate of modulation of 200 to 280 cycles per minute. A headlamp modulator installed on a motorcycle with two headlamps shall be wired in a manner to prevent the headlamps from modulating at different rates or not in synchronization with each other. A headlamp modulator installed on a motorcycle shall meet the standards prescribed by federal law (Section 307.100).

HOUSEHOLD GOODS CARRIERS - This act allows common household goods common carriers to file applications to the State Highways and Transportation Commission for approval of rates to reflect increases and decreases in the carrier's costs. The filing of the applications shall be governed by similar rules that govern rate adjustments requested by electrical gas or water companies. The applications shall be made in such form as the commission determines (Section 387.075).

The act also repeals the exemption that currently allows intrastate household goods movers to operate wholly in municipalities, between contiguous municipalities, or commercial zones without having to obtain MoDOT operating authority. Currently, household movers are exempt from the rules and regulations of Chapter 390, RSMo, if their operations are restricted to those described areas. The repeal of this exemption will start January 1, 2008 (Section 390.030).

DECLARATIONS - The act authorizes the Director of Revenue to administer oaths to individuals filing declarations, statements or other documents. A signed declaration shall be prima facie evidence that the individual signed the declaration. Any declaration, statement, or

FISCAL DESCRIPTION (continued)

other document that is required to be signed under Chapter 301 and Chapter 306 shall be signed in accordance with this provision and regulations (Section 301.007).

MOTOR CARRIER TRANSPORTATION INDEMNITY PROVISIONS - This act makes indemnity agreements in motor carrier transportation contracts which purport to indemnify a party against loss from negligence or intentional acts void and unenforceable. Motor carrier transportation contracts shall not include Uniform Intermodal Interchange and Facilities Access Agreements (section 390.372).

EMERGENCY VEHICLE DEALERS - The act also exempts dealers who sell only emergency vehicles from maintaining a bona fide place of business (including the related law enforcement certification requirements) and from meeting the minimum yearly sales.(section 301.560).

USED MOTOR VEHICLE DEALER EDUCATIONAL SEMINAR - The act exempts public auto auctions and applicants currently holding a new or used dealer's license for a separate dealership from showing proof of completing an educational seminar when applying for a used motor vehicle dealer's license. The act also specifically provides that current new motor vehicle franchise dealers and motor vehicle leasing agencies are not subject to the educational seminar requirements (Section 301.560).

EXPUNGEMENT OF RECORDS OF CDL HOLDERS - This act 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 act also provides that no records shall be expunged until 3 years after the date of suspension or revocation, if the person was holding a commercial driver's license at the time of the offense (Section 302.545).

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

CDL MILITARY EXEMPTION - This act 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).

DRIVING WHILE OUT OF SERVICE - The act provides that any person convicted for the first time of driving while out of service shall be disqualified in the manner prescribed by federal regulations (Section 302.755).

FISCAL DESCRIPTION (continued)

SCHOOL BUS DRIVERS - Under this act, the director of revenue shall not issue or renew a school bus endorsement to any applicant whose driving record shows that the applicant has been convicted of an intoxication-related traffic offense while operating a school bus. A person convicted of an intoxication-related offense while operating a school bus will have his or her school bus endorsement permanently denied by the court, beginning on the date of the court's order (Section 302.272). The act requires school bus drivers to notify the school district or the driver's employing contractor whenever the driver receives a citation for an intoxicated-related traffic offense. The notice of such citation shall be given prior to the driver resuming operation of a school bus. Failure to notify the school district or the employing contractor of the citation shall constitute a valid reason to discharge such person from the school district's or employing contractor's employ (Section 302.275). The act sets the fine for driving with a revoked license while operating a school bus at \$1,000. The current law does not distinguish the offense by type of vehicle driven and the fine is up to \$1,000 (Section 302.321). These provisions have an effective date of January 1, 2008.

FAILURE TO STOP FOR SCHOOL BUSES - This act increases driver's license suspension periods for motorists who fail to stop for school buses that are loading or unloading children. Under the act, the suspension period for a first violation for failing to yield for a school bus is increased from 90 days to 120 days. A second or subsequent violation of the school bus stop provision will result in a 180 day suspension (increased from 120 days). (Section 304.070).

SCHOOL BUS EXEMPTION FROM CHILD PASSENGER RESTRAINT LAW - This act provides that the child passenger restraint law shall not apply to school buses transporting children 4 years of age or older regardless whether such buses are being used for educational, religious or other purposes. The current exemption only applies to school buses used for educational purposes. This portion of the act contains an emergency clause.

CONSERVATION AGENT/EMERGENCY VEHICLE - This act adds vehicles driven by law enforcement agents of the Department of Conservation to the list of vehicles considered "emergency vehicles".(Section 304.022).

HIGHWAY PATROL - This act updates several sections of law relating to the operations of the Highway Patrol that are contained in Chapter 43, RSMo. The Highway Patrol was under the direction and authority of the Highway Commission until the early 1940's. This act repeals several superannuated laws that no longer apply to the operations of the highway patrol due to modernization of state government, technology and other statutes and adopted procedures. The act removes the definition of the Highway Commission from Chapter 43, RSMo, since the commission no longer has oversight over the Highway Patrol. The act removes the current

FISCAL DESCRIPTION (continued)

statutory requirement for the superintendent of the highway patrol to reside within the city limits of Jefferson City. The act removes the requirement that general headquarters be open at all times and the requirement that a telegraph be available. The act removes the requirement that the highway commission approve all personnel expenses and changes where civil witnesses fees are deposited. The act changes the requirement that the superintendent divide the state into troops instead of districts and removes the requirement that the Highway Patrol send an end of the year fiscal report to the governor and the Highway Commission. The act removes the requirement that the superintendent, major, director of radio and budget personnel be bonded with the Highway Commission. The act changes statutory direction to the highway patrol to deliver those arrested directly to the court, to "their designee," such as an appropriate jail or sheriff.

AFFIRMATIVE DEFENSE FOR PROCEEDING THROUGH REDLIGHT WITH A MOTORCYCLE ("DEAD RED")- This act 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 signal continues to show a red light for an unreasonable time;
- (3) The traffic 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.

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).

MUNICIPAL RED LIGHT VIOLATIONS DETECTED BY AUTOMATED RED LIGHT ENFORCEMENT SYSTEMS - Under this act, all fines that are generated by municipal red light violations that are detected and enforced through automated photo red light enforcement systems shall be deposited in the state school moneys fund (Section 1).

APPLICATION OF OTHER STATE WEIGHT LIMITS - Under this act, any commercial motor vehicle originating within this state traversing to a neighboring state may operate or move such motor vehicle on a state highway within this state with a weight limit that meets but does not exceed the weight limits of the destination state. If the weight limits of the destination state are less than the weight limits of this state, then the weight limits of this state shall apply (section 1).

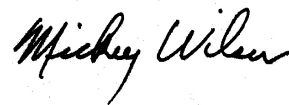
FISCAL DESCRIPTION (continued)

LANGUAGE INTERPRETERS/CDL EXAMINATIONS - This act provides that the director of the Department of Revenue shall neither supply nor permit the use of language interpreters in connection with commercial driver's license examination process (section 302.720).

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
Missouri Department of Transportation
Department of Elementary and Secondary Education
Missouri Gaming Commission
Office of the Secretary of State
Missouri Highway Patrol
Office of the State Courts Administrator
Department of Public Safety
City of Kansas City
Department of Conservation
City of Centralia
St. Louis County
Taney County
Greene County
Department of Agriculture
Office of the State Treasurer
Department of Insurance, Financial Institutions and Professional Registration
Office of Administration
 Administrative Hearing Commission
 Information Technology Services
Office of Prosecution Services
Office of the State Public Defender
Department of Corrections
Department of Natural Resources
Boone County Sheriff's Office
Missouri State Water Patrol
Department of Social Services



Mickey Wilson, CPA

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