

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1295-10
Bill No.: SCS for SBs 239, 24 & 445
Subject: Motor Vehicles; Licenses - Motor Vehicles; Revenue Department; Boats and Watercraft
Type: Original
Date: February 26, 2007

Bill Summary: This proposal modifies various provisions relating to the regulation of motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000
Total Estimated Net Effect on General Revenue Fund	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Highway	(\$5,513)	(\$5,513)	(\$5,513)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$5,513)	(\$5,513)	(\$5,513)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0

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	(\$1,838)	(\$1,838)	(\$1,838)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume there is no fiscal impact on the courts.

Officials from the **Department of Public Safety - Office of the Director, Water Patrol and Highway Patrol** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Revenue (DOR)** state the proposal would have the following impact on their agency:

Administrative Impact: DOR will need to:

- Revise the dealer renewal and new dealer instructions;
- Revise policies and operating manuals;
- Revise any administrative rules that are affected
- Revise procedures and forms;
- Notify boat deals of the changes through a mail out;
- Notify salvage businesses that they no longer have to register in order to buy vehicles at salvage pools.

DOR will no longer license non-resident salvage businesses.

The IT department will need to modify existing programs in order to accommodate the new legislation.

Revenue Impact:

The language to increase the title penalty for vessels, documented vessels, and outboard motors is an unknown amount of fees to be collected. This additional revenue would go into the General Revenue Fund.

In summary, DOR assumes a loss of revenue to the Highway Fund of \$7,351 yearly for the elimination of the non-resident salvage ID cards. This would be split between the state's Highway Fund (\$5,513), cities (\$1,103) and counties (\$735).

ASSUMPTION (continued)

Officials from the **Department of Transportation (MoDOT)** state the proposal would have the following impact on their agency:

- Section 301.010 - 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.
- Section 301.029 (self-propelled sprayer or floater exempted from titling, registration and the display of license plates) - MoDOT is unable to estimate the fiscal impact, DOR would be best to estimate the fiscal impact of this section. We believe the impact will be unknown greater than \$100,000 annually.
- Section 301.130 (reissuance of license plates) - MoDOT is unable to estimate the fiscal impact of this section.

Oversight assumes that there is no direct fiscal impact from the implementation of Section 301.101 (change of definitions of ‘local log truck’ and ‘local log truck tractor’) 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.

Officials from the **Department of Revenue** assume sprayers, floaters and other types of husbandry are already exempt from registration. Therefore, the changes made to section 301.029 would not have a fiscal impact to the state.

ASSUMPTION (continued)

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 assumes the amount of fine revenue generated from this proposal (Section 302.321 regarding the operator of a school bus operating with a revoked license) would be minimal, and therefore have not reflected it in this fiscal note.

Officials from the **Office of the Secretary of State (SOS)** note 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 Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

In response to a similar proposal from this year (SB 24 - regarding bus drivers), officials from the following school districts indicated there would be no fiscal impact to their respective school districts: **Kirksville, Fair Grove, Independence, Columbia, Francis Howell.**

Oversight will assume there will be greater compliance in registering a vessel on time with the increase in penalty from a \$30 maximum to \$200 maximum. Therefore, Oversight will assume an unknown amount of revenue generated, but under \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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GENERAL REVENUE FUND

<u>Revenue</u> – Increase in the late boat registration penalty (from \$30 maximum to \$200 maximum)	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$100,000</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$100,000</u>
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HIGHWAY FUNDS

<u>Loss</u> - Elimination of non-resident salvage ID cards	<u>(\$5,513)</u>	<u>(\$5,513)</u>	<u>(\$5,513)</u>
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ESTIMATED NET EFFECT TO THE HIGHWAY FUNDS	<u>(\$5,513)</u>	<u>(\$5,513)</u>	<u>(\$5,513)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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POLITICAL SUBDIVISIONS

<u>Loss</u> – Cities Loss from elimination of non-resident salvage ID cards	<u>(\$1,103)</u>	<u>(\$1,103)</u>	<u>(\$1,103)</u>
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<u>Losses</u> – Counties Loss from elimination of non-resident salvage ID cards	<u>(\$735)</u>	<u>(\$735)</u>	<u>\$735</u>
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(\$1,838)</u>	<u>(\$1,838)</u>	<u>(\$1,838)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal addresses a multitude of laws that pertain to the regulation of motor vehicles.

DELINQUENT BOAT TITLE PENALTIES - The act increases the penalties for delinquent boat titling. Under the current law, a person pays a \$10 penalty fee for each 30 days of delinquency for failing to title a boat within 60 days of acquiring it or bringing it into the state. This act increases the penalty fee to \$25. The total penalty fee cannot exceed \$200 (currently \$30) (Section 306.535). The act also increases the penalty fee for a delinquent application for a vessel certificate of title and a delinquent vessel certificate of registration from \$10 to \$25 for each 30 days of delinquency. The penalty fee cannot exceed a total of \$200 (up from \$30)(Section 306.015 and 306.016).

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) . This portion of the act is identical to SB 371 (2007).

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. A similar provision is contained in SB 349 (2007)(Section 301.010).

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

FISCAL DESCRIPTION

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. The act is similar to SB 24 (2007) and SB 584 (2006).

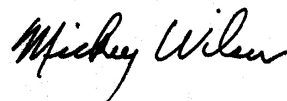
SCHOOL BUS EXEMPTION FROM CHILD PASSENGER RESTRAINT LAW - This act provides that the child passenger restraint law shall not apply to school buses transporting children 4 years of age or older regardless whether such buses are being used for educational, religious or other purposes. The current exemption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

SALVAGE SALES - This act provides that motor vehicle sales at salvage pools or salvage disposal sales be open to all potential buyers. The current law limits the sales to licensed salvage dealers (Section 301.218). This provision is contained in HB 567 (2007).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Revenue
Department of Public Safety
Office of Secretary of State
School Districts - Kirksville, Fair Grove, Independence, Columbia, Francis Howell



Mickey Wilson, CPA
Director
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