

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1299-03
Bill No.: HCS for SB 240
Subject: Motor Carriers; Licenses - Driver's; Revenue Department
Type: Original
Date: May 4, 2007

Bill Summary: Bans bus drivers who are convicted of intoxicated-related traffic offenses from possessing school bus endorsements; modifies laws dealing with license revocation; establishes restricted license plates; waives driver's licence fees for those aged 70 and older; permits DOR to waive CDL skills test for qualified military applicants; requires CDL tests to be conducted in English only; modifies driver's license eligibility requirements for persons between the ages of 15 and 18; requires commercial vehicle enforcement officers to meet mandatory training standards; defines "utility vehicle".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	(\$94,875)	Less than \$5,125
Total Estimated Net Effect on General Revenue Fund	\$0	(\$94,875)	Less than \$5,125

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 15 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
State School Moneys Fund*	\$0	\$0	\$0
Highway Fund	Unknown to (\$65,025)	Unknown to (\$65,025)	Unknown to (\$65,025)
Park & Soil Fund	(\$3,000 to \$5,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown to (\$68,025 to \$70,025)	Unknown to (\$65,025)	Unknown to (\$65,025)

*Offsetting transfers in and out are less than \$100,000 for FY 2010

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> 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	(Unknown to \$42,675)	(Unknown to \$68,790)	(Unknown to \$68,790)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assume 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 to the SOS office for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Office of State Courts Administrator** state this proposal has no fiscal impact on the Courts.

Officials from the **Department of Public Safety - Office of the Director, Office of State Public Defender**, and the **Department of Transportation** state this proposal will have no fiscal impact on their respective agencies.

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

Officials from the **Department of Revenue** state that their department will utilize existing resources to complete all testing, implementation, and processing of proposed changes resulting from this proposal.

ASSUMPTION (continued)

Officials from the **Department of Revenue** state that the **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing existing resources of 2 existing CIT III's for 4 months at a rate of \$4,186 and 2 existing CIT I's for 4 months at a rate of \$4,546; however, if priorities shift and additional FTE/overtime would be needed to implement, the cost will be approximately \$ 69,856. They plan to use existing resources to implement this legislation

§302.063 - DRIVER'S LICENSE ELIGIBILITY

According to officials from the **Department of Elementary and Secondary Education (DESE)**, there is no way to estimate the cost this proposal will present to local school districts; however, the cost will be significant. The proposal would require districts to present a certificate to each person aged 15 to 18 documenting that the student has complied with the school district's standards for eligibility for an operator's license or temporary permit.

DESE shall develop a plan that includes, but is not limited to, elements that demonstrate effort on the student's part, such as attendance, and maintaining grades and achieving assessment scores consistent with their skills and abilities.

The proposal indicates that DES, in cooperation with the DOR, shall promulgate a model or models for school district standards; however, DES assumes school districts will incur inestimable costs to duplicate, prepare, and provide certificates for students; track and retrieve information on a student-by-student basis; and report the required information in accordance with the proposal.

Oversight assumes reporting requirements will be minimal and can be absorbed with existing resources.

Officials from the **Parkway School District** indicated there would be cost associated with this proposal, but did not indicate what the fiscal impact would be.

Officials from the **Francis Howell School District** state the proposal imposes an administrative burden, but did not assign a cost.

Again, **Oversight** assumes reporting requirements will be minimal and can be absorbed with existing resources.

ASSUMPTION (continued)

Officials from the **Department of Revenue** state that ITSD-DOR will be required to modify license systems to edit for new minimum education standard information from the public schools.

§302.177 - WAIVER OF DRIVER'S LICENSE RENEWAL FEES FOR THOSE AGE 70 AND OLDER

According to officials from the **Department of Revenue**, this section of the proposal would result in a loss to the Highway Fund of \$558,640 annually and a loss to cities and counties of 186,210 annually due to the loss of fee income by waiving driver's license renewal fees for all persons aged 70 and older.

According to officials from the **Department of Revenue**, ITSD-DOR would need to complete programming changes to the Over the County license system and supporting internal systems.

§302.272, 302.275, 302.321 - BUS DRIVER DWI

Officials from the **Department of Public Safety - Missouri State Highway Patrol** state there is no direct fiscal impact to their agency.

Officials from the **Department of Corrections (DOC)** state that since the misdemeanor already exists, the proposed additions to statute will not affect DOC.

Officials from the **Department of Revenue** assume the proposed language would require the development of a new court ordered school bus suspension action for the applicant convicted of a DWI while operating a school bus. A modification to the school bus endorsement applicant driver history evaluation to determine eligibility for a school bus endorsement would also be required.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there is no state cost to the foundation formula associated with this proposal. Should the new 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 Department of Revenue to distribute to the 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-

ASSUMPTION (continued)

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 that, based on a \$1,000 fine, in order for the fiscal impact to equal \$100,000, 100 bus drivers would have to be convicted of operating a school bus while driving with a revoked license resulting from a DWI conviction. According to information from the Office of State Courts Administrator, there were less than 13,000 DWI convictions in 2006. **Oversight** assumes there would not be more than ten per cent of the convictions involving bus drivers driving with revoked licenses in any one year and that the fiscal impact would be less than \$100,000.

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.**

§302.305 - RESTRICTED LICENSE PLATES

Officials from the **Department of Public Safety - Office of the Director** and **Missouri State Highway Patrol** state there is no fiscal impact to their agencies.

Officials from the **Department of Revenue (DOR)** state this proposal would have minimal impact to their agency. DOR will use existing resources to implement the legislation and OA-IT will absorb any programming costs.

DOR indicated there are approximately 40,000 suspended, revoked, disqualified, and denied licenses per year. If all persons affected turned in their current license plates and were issued a set of restricted plates, the increase in revenue would be \$510,000 to the Highway Fund and \$170,000 to cities and counties.

Oversight assumes that if 50% of those affected were eligible for reinstatement in less than one year, additional income for the purchase of standard plates could be \$255,000 to the Highway Fund and \$85,000 to cities and counties. For fiscal note purposes only, **Oversight** assumes full compliance with this legislation and that two plates would be required for each vehicle.

Oversight assumes there will be a cost to the Highway Fund for the plates. At the current cost of \$1.37 per embossed plate, the cost for 120,000 plates would be \$164,000 a year.

ASSUMPTION (continued)

Officials from the following local law enforcement agencies stated the proposal would have no fiscal impact on their departments: **St Joseph Police Department, Boone County Sheriff, and Springfield Police Department.**

§302.720 - CDL TEST WAIVER FOR MILITARY APPLICANTS

Officials from the **Department of Public Safety - Office of the Director, Missouri State Highway Patrol, and Missouri Veteran's Commission** state this proposal will have no fiscal impact on their agencies.

Officials from the **Department of Revenue** state the Driver License Bureau will complete end-user testing for this project and costs will be absorbed with current personnel cost. Procedures and the Commercial Driver License manual will need to be revised to reflect the law change.

Oversight assumes that with a \$25 fee for the driving skills test, 75% (\$18.50 per test) is distributed to the Highway Fund. If there are no more than 5,400 qualified military applicants per year are getting waivers of the driving skills test, the fiscal impact would be less than \$100,000 per year. Military applicants must certify, among other things, that the applicant was regularly employed in a job requiring operation of a commercial motor vehicle and has at least operated the vehicle for sixty days during the two years immediately preceding application for a commercial driver license. **Oversight** assumes the total loss over the three year fiscal note scope could exceed \$100,000.

§304.032 - UTILITY VEHICLES

Officials from the **Department of Conservation** state this section will have no impact on MDC Funds.

Officials from the **Department of Revenue** assume minimal impact which can be absorbed with existing resources.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** and the **Department of Agriculture** indicated no fiscal impact to their respective agencies.

Officials from the **Department of Natural Resources (DNR)** assume DNR's "golf carts and "gators" weigh less than 1,820 pounds and would fall into under the definition of a "Utility Vehicle". This proposal would require a person who operates a utility vehicle to wear a helmet

unless he or she is at the age of 18 or older. DNR would need to purchase helmets for those who are under the age of 18 when they operate utility vehicles. DNR estimated they would need to provide between 30-50 helmets at approximately \$100 each. This would result in a fiscal impact of between \$3,000 and \$5,000 for this provision.

Officials from 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.

§304.230 - COMMERCIAL VEHICLE ENFORCEMENT OFFICER TRAINING

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state the proposed legislation would require commercial vehicle enforcement officers to meet the mandatory standards for basic training and licensing of peace officers.

The Commercial Vehicle Enforcement Division of the MHP currently employs 141 Commercial Vehicle Officers (CVOs). The proposed legislation 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 - 25 students per class. Due to time constraints, will would not be possible to hold classes in FY 2008; therefore, classes will begin in FY 2009 and the MHP estimates the following fiscal impact:

FY 2009	\$ 94,875	(\$4,125 x 23 officers)
FY 2010	\$ 95,875	(\$4,125 x 23 officers)
FY 2011	\$ 95,875	(\$4,125 x 23 officers)
FY 2012	\$ 95,875	(\$4,125 x 23 officers)
FY 2013	\$ 95,875	(\$4,125 x 23 officers)
FY 2014	<u>\$107,250</u>	(\$4,125 x 26 officers)
	\$581,625	

Currently, the CVO's train for 12 weeks. However, these 12 weeks of training would not count towards the 600 hour POST requirement because most of the classes are not POST approved classes from the 600 hour curriculum, nor were the classes instructed by POST approved instructors

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Savings</u> - Reduced appropriations to State School Moneys Fund (§302.321)	\$0	\$0	Less than \$100,000
Cost - Missouri Highway Patrol - Training for Vehicle Enforcement Officers (§304.230)	<u>\$0</u>	<u>(\$94,875)</u>	<u>(\$94,875)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$94,875)</u>	<u>Less than \$5,125</u>
STATE SCHOOL MONEYS FUND			
<u>Savings</u> - Reduced distributions to local school districts (§302.321)	\$0	\$0	Less than \$100,000
<u>Loss</u> - Reduced appropriations from General Revenue Fund (§302.321)	<u>\$0</u>	<u>\$0</u>	<u>(Less than \$100,000)</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
HIGHWAY FUND			
<u>Income</u> - DOR - Issuance of restricted plates and reissuance of standard plates (§302.305)	Unknown to \$637,500	Unknown to \$765,000	Unknown to \$765,000
<u>Cost</u> - DOR - Purchase of additional plates (§302.305)	(Unknown to \$137,000)	(Unknown to \$164,400)	(Unknown to \$164,400)
Loss - DOR - Loss of fee income for commercial driver's license driving skills tests (§302.700)	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Loss - DOR - Loss of fee income by waiving driver's license renewal fees (§302.177 (8))	(<u>\$465,525</u>)	(<u>\$558,630</u>)	(<u>\$558,630</u>)
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(Unknown to \$65,025)</u>	<u>(Unknown to \$58,030)</u>	<u>(Unknown to \$58,030)</u>
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<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
PARK & SOIL FUND			
<u>Cost</u> - DNR - Purchase of safety helmets (§304.032)	(\$3,000 to <u>\$5,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PARK & SOIL FUND	<u>(<u>\$3,000 to \$5,000</u>)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
POLITICAL SUBDIVISIONS			
<u>Income</u> - School Districts - Income from fines (§302.321)	\$0	Less than \$100,000	Less than \$100,000
Income - Cities and Counties - Increase in revenue from restricted plates and reinstatement of standard plates (§302.305)	Unknown to \$212,500	Unknown to \$255,000	Unknown to \$255,000
<u>Loss</u> - School Districts - Reduced distributions from State School Moneys Fund (§302.321)	\$0	\$0	(Less than \$100,000)
<u>Loss</u> - Cities and Counties - Loss of fee income for commercial driver's license driving skills tests (§302.700)	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Loss - Cities and Counties - Lee of fee income for waiver of license renewal fees (§302.177 (8))	<u>(\$155,175)</u>	<u>(\$186,210)</u>	<u>(\$186,210)</u>
NET EFFECT ON POLITICAL SUBDIVISIONS	<u>Unknown to (\$42,675)</u>	<u>Unknown to (\$68,790)</u>	<u>Unknown to (\$68,790)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§302.063 - DRIVER'S LICENSE ELIGIBILITY

Requires any applicant for a driver's license or a temporary permit who is 15 to 18 years of age and attends public school to present a certificate from his or her school stating that the applicant has complied with the school district's standards for eligibility for a driver's license or temporary permit.

DESCRIPTION (continued)

The Department of Elementary and Secondary Education, in cooperation with the Department of Revenue, must establish a model or models for school district standards.

§302.177 - WAIVER OF CERTAIN RENEWAL FEES FOR THOSE AGE 70 AND OLDER

Driver's License renewal fees shall be waived for applicants seventy years of age or older.

§ 302.272, 302.275, 302.321 - SCHOOL BUS DRIVERS

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 school bus endorsement will be permanently denied by the court.

The proposal 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.

If a person is convicted of driving while their license was revoked and was operating a school bus at the time of the offense, the person shall be fined not less than \$1,000 if the offense is otherwise a class A misdemeanor.

§302.305 - RESTRICTED LICENSE PLATES

Any person whose driver's license has been suspended, revoked, or disqualified for a period of 60 days or if the person is denied for alcohol or manslaughter violations under the law, shall immediately surrender his or her 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. The applicant shall pay replacement plate fees for the restricted license plates. After reinstatement, standard plates shall be obtained under the requirements and fees established in chapter 301, RSMo.

DESCRIPTION (continued)

§304.032 - UTILITY VEHICLES

This section defines "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 1,850 pounds or less, travels on four or six wheels, and is used primarily for landscaping, lawn care, or maintenance purposes.

No person under the age of 18 would be allowed to operate a utility vehicle without a securely fastened safety helmet.

§304.230 - COMMERCIAL VEHICLE ENFORCEMENT OFFICER TRAINING

This proposal requires commercial vehicle enforcement officers to meet the mandatory standards for basic training and licensure of peace officers. Officers who are employed and performing their duties on August 28, 2007, will have until July 1, 2015 to comply with the mandatory standards.

§302.545 - RECORD EXPUNGEMENT

The expungement of a minor in possession violation for a holder of a commercial driver's license or a person operating a commercial motor vehicle at the time of the offense is prohibited. No records can be expunged for a commercial driver's license holder until three years after the date of the suspension or revocation if the person was holding a commercial driver's license at the time of the offense or who has been convicted of or pled guilty to an offense where the person's blood-alcohol content is .04 or above.

§302.700, §302.755 - FAILURE TO APPEAR

Failure to appear in court or pay fines by a commercial license holder or operator of a commercial motor vehicle is included as a commercial driver's license offense requiring indefinite suspension until he or she is in compliance.

§302.720 - COMMERCIAL DRIVER'S LICENSE TESTS

The Director of the Department of Revenue would have the authority to waive the driving skills test for any qualified military applicant for a commercial driver license who is currently licensed at the time of application for a commercial driver's license.

DESCRIPTION (continued)

The commercial driver's license written test is to only be given in English. Applicants for a commercial driver's license must be able to read and speak the English language sufficiently to understand highway traffic signs and signals, respond to official inquiries, and make entries on reports and records. Applicants will be prohibited from using an interpreter or translator while taking the test.

Examination fees shall be waived for applicants seventy years of age or older.

§302.755 - DRIVING WHILE OUT OF SERVICE (Commercial Motor Vehicles)

Any person convicted of driving while out of service will be disqualified from operating a commercial motor vehicle in the manner specified by federal regulations.

Federal Mandates -- §302.545 (no Minor in Possession expungement for Commercial Driver's License (CDL) for 3 yrs); §302.700 (Failure To Appear offense "conviction" for CDL disqualification purposes); §302.720 (military exemption for CDL skills test); and §302.755 (disqualification periods for out-of-service violations) are all required to comply with federal requirements, 49 CFR Part 383.

Sections 302.272, 302.275, 302.305, and 302.321 shall become effective January 1, 2008.

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 Elementary and Secondary Education

Department of Revenue

Office of Secretary of State

Administrative Rules Division

Office of State Courts Administrator

Department of Public Safety

Office of the Director

Missouri State Highway Patrol

Missouri Veterans Commission

Department of Natural Resources

Office of State Public Defender

Department of Conservation

Department of Agriculture

Local Law Enforcement

Springfield Police Department

Boone County Sheriff

St Joseph Police Department

Cities and Counties

Kansas City

Centralia

School Districts

Parkway

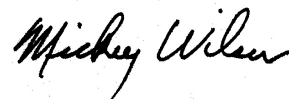
Francis Howell

Kirksville

Fair Grove

Independence

Columbia



Mickey Wilson, CPA

Director

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