

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1534-05  
Bill No.: HCS for SS for SB 358  
Subject: Motor Vehicles: Revenue Department; Liens  
Type: Original  
Date: May 8, 2007

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Bill Summary: Revises various laws regarding the registration and licensure of motor vehicles.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	(\$634)	(\$634)	(\$634)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$634)</b>	<b>(\$634)</b>	<b>(\$634)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 16 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Highway Fund	<b>(Unknown - Greater than \$233,687)</b>	<b>(Unknown - Greater than \$196,795)</b>	<b>(Unknown - Greater than \$169,647)</b>
Highway Patrol Inspection Fund	<b>(Unknown - Greater than \$100,000)</b>	<b>(Unknown - Greater than \$100,000)</b>	<b>(Unknown - Greater than \$100,000)</b>
Motor Vehicle Commission Fund	<b>(\$1,739)</b>	<b>\$0</b>	<b>\$0 to (Unknown)</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown - Greater than \$335,426)</b>	<b>(Unknown - Greater than \$296,795)</b>	<b>(Unknown - Greater than \$269,647)</b>

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

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

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

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>(\$26,103)</b>	<b>Unknown - Less than \$84,338</b>	<b>Unknown - Less than \$100,000</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Public Safety - Office of the Director** state there is no fiscal impact to their agency.

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

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.

#### §301.007 - DECLARATIONS

This section authorizes the Director of Revenue to administer oaths to individuals filing declarations, statements or other documents. According to officials from the **Department of Revenue (DOR)**, this language will allow DOR not to require affidavits to be notarized. There is no fiscal impact.

ASSUMPTION (continued)

§301.010 (26) & (27) - LOCAL LOG TRUCKS AND LOG TRACTORS

This part of the section expands the area in which local log trucks and local log truck tractors can operate.

Officials at the **Missouri Department of Transportation (MoDOT)** assume this proposal expands the area in which local log trucks may operate from no more than a 50 mile radius from a forested site to no more than a 100 mile radius from such sites. An extension of this zone from 50 miles to 100 miles with increased weights and axle loads will lead to additional deterioration of bridges and presents increased safety concerns.

The proposed definition change for “Local log truck” and “Local log truck tractor” appears to allow these vehicles to bypass 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. Also, additional “wear and tear” on structures due to these overweight vehicles, where capacity of the individual bridge is not checked through the permit process, will likely shorten the life of bridges in the state system and increase bridge maintenance needs.

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

§301.020 - ODOMETER READINGS

Requires the Department of Revenue to obtain the mileage reading at the time of renewal in a manner prescribed by rule rather than from the safety inspection report. Officials from the **Department of Revenue** assume no fiscal impact.

ASSUMPTION (continued)

§301.029 - SELF PROPELLED SPRAYERS

Officials from the **Department of Agriculture** and the **Missouri Highway Patrol** assume 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.

Officials from the **Department of Revenue** assume implements of husbandry are already exempt from titling, registration and display, therefore this part of the proposal would not have a fiscal impact.

§301.130 - REISSUANCE OF LICENSE PLATES

Officials from the **Department of Revenue (DOR)** assume this proposal will have no fiscal impact on their agency. This is simply clarifying language, allowing DOR to begin reissuance prior to the January 1, 2009 start date if all systems are in place.

Officials from the **Department of Corrections - Missouri Vocational Enterprises** indicated no fiscal impact to their agency.

§301.143 - ACCESSIBLE PARKING

This section requires signs erected August 28, 2007 and later to contain the words "Accessible Parking" instead of "Handicap Parking".

Officials of the following Offices, Departments, Commissions, and Agencies assume no fiscal impact:

**Offices of Secretary of State, State Treasurer, State Auditor, Lt. Governor, State Courts Administrator, Prosecution Services, Administration - Facilities Management, Design and Construction;**

**Departments of Labor and Industrial Relations, Higher Education, Economic Development, Revenue, Social Services, Mental Health, Health and Senior Services, Public Safety, Conservation, Agriculture, Insurance, Financial Institutions, and Professional**

ASSUMPTION (continued)

**Registration, Elementary and Secondary Education, Highways and Transportation, and Natural Resources;**

**State Tax Commission, Missouri Ethics Commission, State Public Defender, Missouri Senate, Missouri House of Representatives, Missouri Consolidated Health Care Plan, Joint Committee on Public Employee Retirement.**

Officials of the **City of Kansas City** assume no fiscal impact.

Officials of **St. Louis County - Department of Highways** assumes if they were required to construct accessible ramps where they currently posts signs for “on street” parking there would be costs of approximately \$10,000 annually.

**Oversight** assumes that current signs would not have to be replaced, only those erected after August 28, 2007 would have to contain the words “Accessible Parking” instead of the words “Handicap Parking”. **Oversight** assumes no local fiscal impact.

§301.221, 301.225, 301.229 - INSPECTION OF PREMISES AND RECORDS OF SALVAGE DEALERS

These sections allow authorized or designated employees of the Missouri State Highway Patrol to certify salvage dealer locations and inspect their records.

**Oversight** assumes this part of the proposal will not fiscally impact the Missouri Highway Patrol.

§301.301 - REPLACEMENT OF STOLEN LICENSE PLATE TABS

Officials from the **Department of Pubic Safety - Office of the Director** and **Missouri State Highway Patrol** state this proposal will have no fiscal impact on their agencies.

Officials from the **Department of Revenue (DOR)** state they will implement a procedure change, but there will be no costs for implementation.

In FY 2006, DOR 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 will no longer be required for tabs issued prior to January 1, 2009, there will be a decrease in replacement tab

ASSUMPTION (continued)

revenue of approximately \$118,333 in FY 2008 and \$71,000 in the first half of FY 2009 due to issuing these tabs at no fee due to theft.

In response to the perfected version of this proposal, officials from the **Springfield Police Department** assumed no fiscal impact resulting from this proposed legislation.

In response to the introduced version of this proposal, officials from the **Jefferson City Police Department** states that the number of such reports to their department are very few, therefore, there likely would be unnoticeable fiscal impact.

In response to the introduced version of this proposal, officials from the **Independence Police Department** don't see any additional costs associated with this proposal since their department takes very few of these reports.

**Oversight** assumes Police Departments could receive income from fees for providing copies of police reports in order that a person could get replacement license plate tabs starting January 1, 2009.

§301.444 - FIREFIGHTER LICENSE PLATES

Officials from the **Department of Public Safety - Division of Fire Safety** and the **Department of Revenue** state this section will have no fiscal impact on their respective agencies.

§301.550, 301.560.1 (1) - EMERGENCY VEHICLES

Defines emergency vehicles for purposes of dealer licensure and exempts dealers who sell emergency vehicles from certain dealership requirements.

Officials from the **Department of Revenue** and **Department of Public Safety - Missouri State Highway Patrol** state this proposal will have no fiscal impact on their respective agencies.

§301.560 - DEALER LICENSES

Officials from the **Department of Revenue (DOR)** indicate funding will be needed in the amount of \$1,739 in paper costs to notify all dealers of the dealer licensure/late related issued at the time renewal instruction are sent out (no envelope and postage cost is required).

ASSUMPTION (continued)

§301.560.1 (5) - BIENNIUM TRANSFER OF FUNDS

DOR officials state there could be an unknown decrease in the Motor Vehicle Commission Fund due to transferring any balance that exceeds 200% of the previous year's fiscal expenditures to General Revenue.

§301.560.6 - NUMBER OF DEALER PLATES

DOR assumes 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 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.

DOR states it is unknown how many recreational vehicle dealers the department licenses so they are unable to calculate the revenue/plate cost for those dealers.

§301.569 - OUT OF STATE RECREATIONAL VEHICLE DEALERS

Allows out of state show promoters of recreational vehicles to hold RV shows or exhibitions if certain conditions are met.

Officials from the **Department of Revenue** and the **Public Service Commission** stated this section would have no fiscal impact on their respective agencies.

§301.640 - LIEN RELEASES

Provides that lienholders must release a lien within five (instead of 10) business days upon satisfaction of the lien and provides for liquidated damages for late release.

Officials from the **Department of Revenue** and **Department of Insurance, Finance, and**



ASSUMPTION (continued)

**Professional Regulation** state this section will have no fiscal impact on their respective agencies.

§307.179 - CHURCH BUS AND VAN SEAT BELT EXEMPTION

In response to similar legislation filed this year (SB 445) officials at the **Missouri Department of Transportation (MoDOT)** assumed this section will allow church buses and vans to be exempted from the requirement that children under the age of 16 being transported in a motor vehicle to be properly restrained. Although 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 they 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).

§301.147, 307.357 - VEHICLE INSPECTIONS

Officials from the **Department of Transportation** defers to the Department of Revenue as to the number of inspections that will be eliminated due to this legislation.

Officials from the **Department of Revenue (DOR)** state that renewal notices will need to note the inspection exemption information for vehicles less than five years old with less than 50,000 miles. DOR states these costs will be absorbed.

Officials from the **Department of Public Safety - Missouri State Highway Patrol (MSHP)** state this section will impact the Highway Fund and Highway Patrol Inspection Fund by reducing the number of inspection and inspection stickers sold which are the primary funding sources. If this proposed legislation passes, vehicles will be exempt from inspection up to 50,000 miles. It is not possible at this time to determine the number of vehicles that will have less than 50,000 miles at the effective date of this proposal, due to the lack of information available regarding mileage.

ASSUMPTION (continued)

The MSHP reported that \$1.00 of each inspection fee goes to the Highway Fund and \$.50 goes into the Missouri State Highway Patrol Inspection Fund. In response to a similar proposal (SS for HB 744), MSHP estimated the number of safety inspections each year at 3 million. No state agency records the mileage of vehicles on the road. **Oversight** assumes that the number of vehicles with under 50,000 miles would exceed 300,0000 (1% of all inspections) which would result in an **Oversight** assumption that the loss to the Road Fund and the Missouri State Highway Patrol Inspection Fund would be (Unknown - Greater than \$100,000).

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE</b>			
<u>Savings</u> - DOR - Fewer boat dealer certificates ordered (§310.560.6)	\$3,062	\$3,062	\$3,062
<u>Loss</u> - DOR - Fewer boat dealer certificates issued (§310.560.6)	<u>(\$3,696)</u>	<u>(\$3,696)</u>	<u>(\$3,696)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$634)</u></b>	<b><u>(\$634)</u></b>	<b><u>(\$634)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>HIGHWAY FUND</b>			
<u>Savings</u> - DOR - Fewer dealer plates ordered (§310.560.06)	\$28,190	\$28,190	\$28,190
<u>Loss</u> - DOR - Loss of fee income for replacement license tabs (§301.301)	(\$92,230)	(\$55,338)	\$0
<u>Loss</u> - DOR - Fewer dealer plates issued (§310.560.6)	(\$69,647)	(\$69,647)	(\$69,647)
<u>Loss</u> - Decrease in number of vehicle inspections and stickers issued (§307.357)	(Unknown - Greater than <u>\$100,000</u> )	(Unknown - Greater than <u>\$100,000</u> )	(Unknown - Greater than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>(Unknown - Greater than \$233,687)</u></b>	<b><u>(Unknown - Greater than \$196,795)</u></b>	<b><u>(Unknown - Greater than \$169,647)</u></b>
<b>HIGHWAY PATROL INSPECTION FUND</b>			
<u>Loss</u> - Decrease in number of vehicle inspections and stickers issued (§307.357)	(Unknown - Greater than <u>\$100,000</u> )	(Unknown - Greater than <u>\$100,000</u> )	(Unknown - Greater than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON HIGHWAY PATROL INSPECTION</b>	<b><u>(Unknown - Greater than \$100,000)</u></b>	<b><u>(Unknown - Greater than \$100,000)</u></b>	<b><u>(Unknown - Greater than \$100,000)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>MOTOR VEHICLE COMMISSION FUND</b>			
<u>Cost</u> - DOR - Dealer notification	(\$1,739)	\$0	\$0
<u>Loss</u> - DOR - Decrease in fund due to biennium sweep (§301.560.1 (5) )	<u>\$0</u>	<u>\$0</u>	<u>\$0 to (Unknown)</u>
<b>ESTIMATED NET EFFECT ON MOTOR VEHICLE COMMISSION FUND</b>	<b><u>(\$1,739)</u></b>	<b><u>\$0</u></b>	<b><u>\$0 to (Unknown)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Loss</u> - MoDOT - SAFETEA-LU grant (§307.179)	<u>\$0 to (\$850,000)</u>	<u>\$0 to (\$850,000)</u>	<u>\$0 to (\$850,000)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0 to (\$850,000)</u></b>	<b><u>\$0 to (\$850,000)</u></b>	<b><u>\$0 to (\$850,000)</u></b>
<u>FISCAL IMPACT - Local Government</u>			
	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - Police Departments - Income from copies of police reports (§301.301)		\$0 Unknown - Less than \$100,000	Unknown - Less than \$100,000
<u>Loss</u> - Cities and Counties - Loss of fee income from replacement license tabs (§301.301)	(\$26,103)	(\$15,662)	\$0
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<b><u>(\$26,103)</u></b>	<b><u>Unknown - Less than \$84,338</u></b>	<b><u>Unknown - Less than \$100,000</u></b>

FISCAL IMPACT - Small Business

Small car dealers could be fiscally impacted by this proposal.

FISCAL DESCRIPTION

This proposal modifies several provisions relating to transportation and motor vehicles:

§ 301.301 - REPLACEMENT OF STOLEN LICENSE PLATE TABS

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 proposal 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.

This section has an emergency clause.

§301.560 - LIMITATION ON ISSUANCE OF DEALER PLATES

In the case of new motor vehicle manufacturers, motor vehicle dealers, powersport dealers, recreational motor vehicle dealers, and trailer dealers, the Department of Revenue shall issue one number plate bearing the distinctive dealer license number and two additional number plates to the applicant upon payment by the manufacturer or dealer of a fifty dollar fee for the number plate bearing the distinctive dealer license number and twenty-one dollar fee for the additional number plates.

The number of additional plates a new motor vehicle manufacturer may hold will be limited to no more than 347. New applicants must estimate their first year sales for purposes of determining the quantity of additional plates they must purchase. New and used dealers are limited to one additional plate or certificate of number per 10-unit transactions annually.

The provisions in Section 301.560 regarding the number of additional plates a new motor vehicle manufacturer may hold become effective January 1, 2008; however, dealer plate fees for calendar year 2008 are collected in the last quarter of calendar year 2007.

Wholesale and public auctions shall be issued a certificate of dealer registration in lieu of a dealer number plate.

LMD:LR:OD (12/02)

DESCRIPTION (continued)

§307.179 - CHURCH BUS AND VAN SEAT BELT EXEMPTION

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. The church bus must have a passenger capacity of over ten persons in order to qualify for the exemption.

This section has an emergency clause.

§301.147, 307.357 - MOTOR VEHICLE SAFETY INSPECTIONS

Exempts motor vehicle owners who are renewing their registration plates from undergoing a safety inspection provided the motor vehicle has less than 50,000 miles. In order to qualify for the exemption, the owner must submit to the director an affidavit, sworn to under the penalty of perjury, stating that the motor vehicle has fewer than one 50,000 miles. The proposal provides that safety inspections shall still be required for initial registrations and titling of a vehicle.

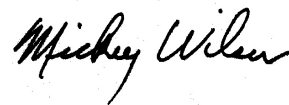
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture  
Office of State Courts Administrator  
Department of Insurance, Finance, and Professional Regulation  
Department of Revenue  
Department of Transportation  
Department of Public Safety  
    Office of the Director  
    Division of Fire Safety  
    Missouri State Highway Patrol  
Department of Corrections  
    Missouri Vocational Enterprises  
Office of Secretary of State  
    Administrative Rules Division  
Office of the Lt. Governor  
Office of the State Treasurer

SOURCES OF INFORMATION (Continued)

Office of the State Auditor  
Office of Prosecution Services  
Office of Administration  
    Facilities Management  
    Design and Construction  
Department of Labor and Industrial Relations  
Department of Higher Education  
Department of Economic Development  
Department of Social Services  
Department of Mental Health  
Department of Health and Senior Services  
Department of Conservation  
Department of Elementary and Secondary Education  
Department of Natural Resources  
State Tax Commission  
Missouri Ethics Commission  
State Public Defender  
Public Service Commission  
Missouri Senate  
House of Representatives  
Missouri Consolidated Health Care Plan  
Joint Committee on Public Employee Retirement  
Cities and Counties  
    Centralia  
    Kansas City  
    St Louis County  
Local Law Enforcement  
    Springfield Police Department  
    Jefferson City Police Department  
    Independence Police Department



Mickey Wilson, CPA

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