

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3509-01
Bill No.: SB 761
Subject: Motor Vehicles; Transportation; Transportation Department; Licenses - Motor Vehicles; Motor Carriers; Buses; Law Enforcement Officers and Agencies; Revenue Department; Licenses - Driver's; Highway Patrol; Roads and Highways.
Type: Original
Date: January 15, 2008

Bill Summary: This proposal modifies various laws relating to transportation and the regulation of motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Road Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 12 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Federal Funds	(\$25,000,000)	(\$50,000,000)	(\$50,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$25,000,000)	(\$50,000,000)	(\$50,000,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Department of Transportation (MoDOT)** assume the fiscal impact of the following sections as follows:

Section 227.103 - Allows for the use of annual bid bonds in lieu of project specific bid bonds. This provision might result in some administrative savings to MoDOT, but the amount of such savings is speculative.

Section 302.305 - This section will have a positive impact on MoDOT because it requires drivers whose license are suspended or revoked to pay two additional license plate fees (in addition to the other registration fees these drivers must pay before being reinstated). The exact amount of this positive fiscal impact is unknown.

Section 302.545 - The new language in this section allows persons who were under 21 at the time of their first offense to expunge their first offense of driving with excessive blood alcohol content (BAC) three years after their suspension or revocations the driver had a CDL and was driving at .02 BAC or if the driver was operating a commercial motor vehicle at the time of the offenses and was driving at .04 BAC. If enacted as currently drafted, will have a negative fiscal impact upon MoDOT because it will take MoDOT out of compliance with federal regulations regarding commercial driver's license (CDL) holders' records. 49 Code of Federal Regulations (CFR) § 384.226 requires that a state must not "mask, defer imposition of judgment, or allow an individual to enter into a diversion program that would prevent a CDL driver's conviction for any violation, in any type of motor vehicle, of a State or local traffic control law (except for a parking violation) from appearing on the driver's record, whether the driver was convicted for an offense committed in the State where the driver is licensed or another State."

By allowing these drivers to have records of these incidents expunged, the legislation masks violations on CDL holders' driving records. MoDOT as well as the Department of Revenue, believes this language will place Missouri out of compliance with the federal regulations so that Missouri could lose federal funding. For the first year of a violation, MoDOT would lose 5%, or approximately \$25 million, of its federal funding. For the second and subsequent years of a violation, MoDOT would lose 10%, or approximately \$50 million, of its federal funding.

Sections 390.021 & 390.136 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,

ASSUMPTION (continued)

August 10, 2005). The UCR Act repeals and replaces the federal Single State Registration System (SSRS). 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.

Officials at the **Department of Revenue** assume no fiscal impact from these sections:

- Section 227.103 Bid Bonds
- Section 302.275.2 Superintendent notification
- Section 302.321.2 Driving a bus
- Section 302.700.8 definition
- Sections 302.755.8 & 302.725.9 definition
- Section 302.775(2) definition
- Section 304.230 Certification requirements
- Section 304.232 Highway Patrol
- Section 304.281.3 Motorcycle
- Section 307.100.2 Motorcycle headlight
- Section 307.179 Child restraint
- Section 390.021 UCR Act
- Section 390.126.4 Remove reference
- Section 390.071 & 622.095 sections removed

Officials at the **Department of Revenue** assume programming changes will be needed for Section 302.272.3. OA-ITSD assumes they could absorb the programming costs with existing resources.

Officials at the **Department of Corrections (DOC)** assume the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court. If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY07 average of \$2.43 per offender, per day or an annual cost of \$887 per offender). In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

ASSUMPTION (continued)

Officials at 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 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.

Officials at the **Springfield Police Department** assume estimates are difficult to quantify for Section 304.232 because of the extra training and certification required initially and annually thereafter we estimate the fiscal impact to be approximately \$150,000 initially and then \$50,000 annually thereafter. There are also costs in delays in processing accident scenes if certified personnel are not available. Costs are yet to be determined to meet reporting requirements but are estimated to be \$50,000. Loss of available time for Police Officers to be at their duty stations because of training requirements will cause other services to suffer. Losses are difficult to calculate but are estimated to impact the agency here at a loss of about \$100,000.

Oversight assumes there will be training and certification costs incur by local governments to meet the requirements of Section 304.232. However, the cost is unknown.

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 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.

ASSUMPTION (continued)

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.

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

Officials at the **Missouri Highway Patrol, Office of the State Treasurer, Department of Higher Education, Department of Labor and Industrial Relations, Office of the State Courts Administrator, Linn State Technical College, Metropolitan Community College, University of Missouri, Lincoln University, Missouri State University, University of Central Missouri, East Central College, Boone County Sheriff's Office, and the Department of Public Safety** assume that there is no fiscal impact from this proposal to their respective institutions.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
ROAD FUND			
<u>Income- MoDOT</u>			
Additional license fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON ROAD FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
FEDERAL FUNDS			
<u>Loss - MoDOT</u>			
out of compliance with federal regulations regarding CDL holders	<u>(\$25,000,000)</u>	<u>(\$50,000,000)</u>	<u>(\$50,000,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$25,000,000)</u>	<u>(\$50,000,000)</u>	<u>(\$50,000,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
LOCAL FUNDS			
<u>Costs - Local Funds</u>			
Training & Certification	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Small Business</u>			

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

FISCAL DESCRIPTION

This act modifies various laws relating to transportation and the regulation of motor vehicles. Several of the provisions contained within this act were also contained in the Senate Substitute for HB 744 (2007).

ANNUAL BID BOND - This act provides that the Highways and Transportation Commission is authorized to accept an annual bid bond for its construction and maintenance projects. The commission shall prescribe the form and content of an annual bid bond. This portion of the act is similar to HB 596 and SCS/SB 52 (2007)(section 227.103).

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

FISCAL DESCRIPTION (continued)

effective date of January 1, 2009. This portion of the act is similar to SB 24 (2007) and SB 584 (2006). These provisions were also contained in SS/SCS/SB 239 et al (2007).

RESTRICTED LICENSE PLATES - Under this act, any person whose driver's license has been suspended, revoked, or disqualified for a period for a period greater than 60 days 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 which shall bear a special series of numbers or letters so as to be readily identified by the highway patrol and other law enforcement officers. The restricted license plates 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 may stop vehicles bearing the restricted license plates to determine whether the driver of such vehicle has a valid driver's license. 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). The provisions of this section become effective January 1, 2009. This portion of the act is similar to SB 580 (2007). This provision is also contained in SS/SCS/SB 239 et al (2007).

EXPUNGEMENT OF RECORDS OF CDL HOLDERS - This act prohibits the expungement of a minor in possession (MIP) 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). This provision is also contained in SS/SCS/SB 239 et al (2007).

FAILURE TO APPEAR - This act includes failure to appear by a commercial license holder or operator of a commercial motor vehicle as an commercial driver offense requiring indefinite suspension until compliance (Section 302.700 and 302.755). This provision is also contained in SS/SCS/SB 239 et al (2007).

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

FISCAL DESCRIPTION (continued)

(Section 302.775). This provision was contained in SS/SCS/SB 239 et al (2007).

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). This portion of the act is identical to SB 377 (2007)(section 304.070). This provision was also contained in SS/SCS/SB 239 et al (2007).

COMMERCIAL MOTOR VEHICLE INSPECTIONS - This act requires the state patrol to establish a program to certify local law enforcement officers with respect to enforcing commercial motor vehicle laws. The certification procedures established by the Highway Patrol shall include training, testing, on-the-job experience, data collection and other prescribed components. The certification procedures shall meet the requirements established by the Commercial Vehicle Safety Alliance (CVSA). The Highway Patrol is authorized to establish reasonable fees to recover the costs of training and certification. Beginning January 1, 2009, no law enforcement officer may make an arrest, issue a citation or conduct a commercial motor vehicle roadside inspection to determine compliance with the applicable commercial motor vehicle laws unless the law enforcement officer has satisfactorily completed a basic training course developed by CVSA and has been certified by the Highway Patrol (Section 304.232).

Beginning January 1, 2009, only law enforcement officers that have been certified by the Missouri State Highway Patrol under the act, members of the Missouri State Highway Patrol, or commercial vehicle enforcement officers shall have the authority to conduct random roadside examinations or inspections to determine compliance with the commercial motor vehicle weight and size limit laws (Sections 304.170 to 304.230), and only such officers shall have the authority, with or without probable cause to believe that the size or weight is in excess of that permitted by the law, to require the driver, operator, owner, lessee, or bailee, to stop, drive, or otherwise move to a location to determine compliance with the law. A law enforcement officer not certified under the act, however, may stop a vehicle that has a visible external safety defect that could cause immediate harm to the traveling public. In the course of a stop, the law enforcement officer shall identify to the driver the defect that caused the stop.

If the vehicle passes the roadside inspection, the law enforcement officer, state highway patrolman, or other authorized person may issue the operator, driver, owner, lessee, or bailee of such vehicle a Commercial Vehicle Safety Alliance inspection decal to be affixed to the vehicle in a manner prescribed by the superintendent. Once issued, the decal shall be valid for a period

FISCAL DESCRIPTION (continued)

not to exceed three consecutive months and shall exempt the vehicle from further inspection during such period. However, nothing shall exempt the operator from subjecting such vehicle to an examination or inspection if the vehicle has a visible external safety defect or the law enforcement officer at hand has probable cause to believe that the size or weight of the vehicle is in excess of that permitted by the law. The act authorizes the superintendent of the Missouri State Highway Patrol to promulgate rules and regulations regarding the size and placement of the sticker and any ancillary issues related to the issuance, display, or use of the decal (section 304.230 and 304.232). These provisions can be found in SCS/SB 484 (2007).

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). A similar provision was contained in SB 614 (2007) and SCS/SB 969 (2006). This provision is also contained in SS/SCS/SB 239 et al (2007).

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). This provision is also contained in SB 614 (2007). This provision is also contained in SS/SCS/SB 239 et al (2007).

SCHOOL BUS EXEMPTION FROM CHILD PASSENGER RESTRAINT LAW - This act provides that the child passenger restraint law shall not apply to school buses transporting

FISCAL DESCRIPTION (continued)

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 (section 307.179). This provision may also be found in SB 445 (2007). This provision was also contained in SS/SCS/SB 239 et al (2007).

IMPLEMENTATION OF UNIFIED CARRIER REGISTRATION ACT - This act authorizes the State Highways and Transportation Commission to take the necessary steps to implement and administer a state plan to conform with the Unified Carrier Registration Act (UCR Act) of 2005. The federal UCR Act includes provisions to eliminate the Single State Registration System (SSRS) by January 2007 and replace it with the Unified Carrier Registration (UCR) Agreement (Sections 390.021 and 390.136). The act also repeals Section 390.071 (pertaining to the issuance of interstate motor carrier permits) and Section 622.095 (relating to the single state registration system). These provisions were contained in SB 200 (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

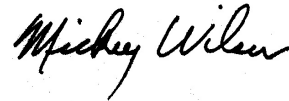
Department of Labor and Industrial Relations
East Central College
Department of Higher Education
Office of the State Treasurer
University of Central Missouri
Missouri State University
Lincoln University
Office of the Secretary of State
Missouri Highway Patrol
Department of Elementary and Secondary Education
University of Missouri
Metropolitan Community College
Linn State Technical College
Boone County Sheriff's Office
Office of the State Courts Administrator
City of Springfield
Department of Revenue

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SOURCES OF INFORMATION (continued)

Department of Public Safety
Missouri Department of Transportation
Department of Corrections
Office of Prosecution Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA
Director
January 15, 2008