

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4251-10
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SCS for SBs 930 & 947
Subject: Transportation; Transportation Department; Aircraft and Airports
Type: Original
Date: June 4, 2008

Bill Summary: This proposal modifies several provisions of law 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
General Revenue	(\$105,757)	(\$116,519)	(\$116,519)
Total Estimated Net Effect on General Revenue Fund	(\$105,757)	(\$116,519)	(\$116,519)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 22 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Conservation Fund	(Unknown)	(Unknown)	(Unknown)
Park and Soil Fund	(Unknown)	(Unknown)	(Unknown)
School District Fund	(Unknown)	(Unknown)	(Unknown)
Aviation Fund	Unknown expected to exceed \$100,000	Unknown expected to exceed \$100,000	Unknown expected to exceed \$100,000
Road Fund	(\$2,200)	\$0	\$0
Insurance Dedicated Fund	\$22,528	(\$1,507)	(\$2,811)
Highway Funds	(\$213,240)	(\$159,448)	(\$163,781)
Highway Patrol Academy	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown expected to exceed \$100,000 to (Unknown greater than \$192,912)	Unknown expected to exceed \$100,000 to (Unknown greater than \$160,955)	Unknown expected to exceed \$100,000 to (Unknown greater than \$166,592)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Insurance Dedicated Fund	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☒ 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 greater than \$4,997)	(Unknown greater than \$4,997)	(Unknown greater than \$4,997)

FISCAL ANALYSIS

ASSUMPTION

Section 144.030 Sales Tax Exemption on Aviation products

Officials at the **Division of Budget and Planning (BAP)** assume the proposed legislation should not result in additional costs or savings to BAP. This proposal creates a sales tax exemption for materials, parts, and equipment purchased for use directly upon, and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories, waives renewal fees for various types of license renewals & school bus endorsements, and various other provisions that will result in a fiscal impact to the state. This proposal will reduce general and total state revenues and local funds by an unknown amount.

Officials at the **Missouri Department of Conservation** assume a negative impact on MDC funds from the exemption of sales tax. The impact however, is unknown.

Officials at the **Department of Natural Resources** assume a negative impact on the Park and Soil Fund in an unknown amount.

Oversight assumes the tax exemption is a loss of funds to General Revenue, Conservation Funds, Park and Soil Funds, School District Funds and Local Funds in an unknown amount.

Section 144.805 and 305.230 Aviation Trust Fund

Officials at the **Missouri Department of Transportation** assume that with an effective date of January 1, 2009 and based on historic receipts of jet fuel sales tax receipts and growth rates from the US Department of Energy and some carriers requesting refunds of overpayments that the Aviation Fund would have an increase of any revenue currently above the cap.

Oversight assumes this proposal is raising the cap in the aviation trust fund from \$6 million to \$10 million. General Revenue could lose any money collected over the preexisting cap while the Aviation Fund could retain all the additional funds. For the purposes of this note the loss to General Revenue and the gain to the Aviation Fund is shown as "unknown expected to exceed \$100,000" based on the past collections over the preexisting cap in the fund.

Sections 227.102 and 227.103 Annual Bid Bonds

Officials at the **Missouri Department of Transportation** assume this 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.

ASSUMPTION (continued)

Sections 227.378, 227.397 and 227.400 Road Naming

Officials at the **Missouri Department of Transportation** assume a fiscal impact of \$2,200 (\$1,100 per sign) for the creation and maintenance of the Larry Gene Taylor signs since this legislation does not state private sources will pay for the signs.

MoDOT assumes no fiscal impact for the Jeff McBride and Robert Stanze signs because the legislation states that the cost of the signs will be paid for private donations. MoDOT will not manufacture or install the signs until the department receives payment for signs. The estimated cost for each set of the two signs is \$2,200 (\$1,100 each).

Sections 233.155, 238.202, 238.207 and 238.210 Transportation Districts

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

Sections 301.010 and 304.032 Utility Vehicles

Officials at the **Department of Natural Resources** and the **Missouri Department of Transportation** assume that there is no fiscal impact from this proposal for their respective institution.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crime regarding utility vehicle. Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the SPD System to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Section 301.130 Apportioned Plates

Officials at the **Department of Revenue** assume there are 7,000 apportioned plates transferred each year that would require a new/ reissued plate. DOR would see a total cost savings in FY 2009 in the amount of \$107,086 due to the exemption set in section 301.130.9 from the re-issuance of 77,040 (as of September 2007) apportioned plates at a cost of \$1.39 per plate.

ASSUMPTION (continued)

There will also be a revenue loss for FY 2009 in the amount of \$107,086 to the highway fund since the department will not be collecting the re-issuance fee for the 77,040 apportioned plates this proposal exempts. Additionally, in FY 2010 and 2011 the department would see both a revenue increase at \$1.39 per plate for re-issuance and a cost to the highway fund in the amount of \$9,730 for the 7,000 apportioned plates that would need to be issued because of a transferred registration.

Sections 302.010, 302.060, 302.304, 302.309, 302.525, 577.041, 577.600, 577.602 and 577.612 Ignition Interlock

Officials from the **Department of Revenue (DOR)** anticipate all Ignition Interlock vendors to transmit offender compliance and noncompliance notices electronically to the department; therefore the impact would be minimal. However; if all Ignition Interlock vendors do not comply electronically, DOR will request FTE and associated cost for processing manual compliance and noncompliance notices including sorting, batching, editing and keying the documents. This cost will then be requested through the appropriations process.

DOR states that Information Technology will need to create an Ignition Interlock subsystem in order to automate the process to evaluate the status of the driver, to update the receipt of an Ignition Interlock maintenance report and to generate appropriate notices to issue to the citizen.

Sections 302.177, 302.720 and 302.735 Waiver of License Fee for 70 yr. old Bus Drivers

Officials at the **Department of Revenue** assume this requires DOR to grant waivers of commercial license renewal fees for applicants 70 and over renewing a school bus endorsement. Total estimated annual loss of one-year license renewal fees for license holders (all classes) over 70 years of age with an S endorsement = \$4,612.50.

Total S endorsement holders age 70 and over –	615
One-year renewal fee commercial classes	<u>x \$7.50</u>
	\$4,612.50

The bureau does not have an available report which separates, Class A,B,C and E license holders with an S endorsement by age. Therefore the fiscal impact estimate above was determined using the higher cost of the one-year commercial class license with S endorsement. The cost of a one-year Class E license with S endorsement is \$5.00

Reduction in state revenue = \$15,375.00

Determined by:

Total school bus endorsement holders age 70 and over = 615

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ASSUMPTION (continued)

Total commercial skills examination fee x \$25.00
\$15,375.00

In addition to the loss of highway funds for transaction fees waived the department would still be required to pay the license vendor the per document cost of \$1.86 out of the departments budget funded by general revenue. Therefore there would be a loss of approximately \$1,144 annually to cover the vendor per document cost of the licenses issued where fees were waived.

Officials at the **Missouri Highway Patrol** assume the provision to allow the Department of Revenue to certify any municipality as a third-party tester will create the need for additional Highway Patrol employees to conduct the required audits and retesting of those drivers tested by a third-party. The state of Missouri has experienced fraudulent activity within the third-party testing program. The state of Missouri has been required to recall and retest approximately 1,082 drivers. Currently, the Patrol shall require the superintendent to reexamine a minimum of 10% of those drivers who have passed the CDL skills examination administered by a certified third-party commercial driver license examination program in the state of Missouri.

At this time, there is no way to determine the number or location of municipalities that would be interested in becoming a third-party tester. Therefore, we cannot determine the number of additional employees needed. For each FTE it would cost \$33,636 in salary and an additional \$5,257 in expenses and equipment.

Since it is unclear how many new FTE's will need to be hired to handle the third- party audits, **Oversight** has shown the costs to the Highway Fund as Unknown.

Section 304.180 Maximum Weight Trucks

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

Section 340.230

Officials at the **Missouri Highway Patrol (MHP)** assume state the proposed legislation would require the conversion of current commercial vehicle officers (CVOs) to peace officers by July 1, 2012. The MHP assumes the training would be scheduled over a 4-year period (FY 2009 through FY 2012). In FY 2013, there would no longer be any fiscal impact.

The Academy normally gets reimbursed from Commercial Vehicle Enforcement (CVE) for the cost of providing training at a rate of \$55 per day per student. The 600 hours mandated by this legislation would be the equivalent of 15 weeks of training (600 hours / 40 hours per week = 15

ASSUMPTION (continued)

weeks). This would mean a cost of \$4,125 per student for the 15 weeks of training (\$55 per day x 15 weeks x 5 days per week = \$4,125). The total cost would be \$140,250 in FY 2009 (34 students x \$4,125 per student = \$140,250).

To pay for this training, the Academy bills the CVE Division, and money is transferred from the Highway fund to the Highway Patrol Academy fund.

Also, this bill would require newly hired CVO's to extend their training from the current 12 weeks to a minimum of 21 weeks in order to complete the 600 hour POST curriculum and specialized training. The extra 9 weeks of training will have an impact on the Academy and CVE as far as housing, meals, and classroom space costs. There is no way to estimate how many new CVO's will be trained in the near future, so this additional cost cannot be estimated; however, it will be \$2,475 per student (\$55 per day x 9 weeks x 5 days per week = \$2,475).

Oversight assumes the Highway Patrol Academy fund will incur additional expenses from training the pool of CVO's. Oversight also assumes the transfer in from the Highway Funds and the increase in expenses from the training would net to zero.

Sections 385.400 through 385.436 Missouri Vehicle Protection Product Act

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** state it is anticipated that the department will receive an influx of filings so that providers can be in compliance. DIFP is requesting one Insurance Product Analyst II (\$31,320 annually) to review reimbursement contracts received. DIFP would use existing staff to implement the financial analysis and enforcement provisions of this legislation. DIFP cannot estimate how many companies will register but estimates it will be around 100. If the numbers are considerably more, additional staff may need to be requested.

Revenue will be generated as vehicle protection product warrantors are required to pay an annual registration fee of up to \$500. The DIFP estimates that approximately 100 warrantors will be registered, for a yearly revenue amount of \$50,000. The proposal does not indicate where fees will be deposited, so the department has assumed the fees would be deposited into the Insurance Dedicated Fund, where other such fees are deposited.

Section 390.021 Unified Carrier Registration Act

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

ASSUMPTION (continued)

federal Single State Registration System (SSRS), the current system under which the states operate.

Passage of this bill 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 577.023

Officials at the **Missouri Highway Patrol** assume this legislation states that MULES will be searched for intoxication-related traffic offenses. However, MULES is not currently designed to access databases that include this information. The Patrol would have to create new queries to access databases outside of MULES. A consultant would need to be hired, and this would require 480 hours of work to develop these new queries, at a cost of \$100 per hour. This would be a total of \$48,000(480 hours x \$100 per hour) to the Highway Fund.

Responses to Bill as a Whole

Officials at the **Department of Revenue** assumes the commercial and non-commercial driver guide in hardcopy will be modified upon next re-order thus destruction and re-printing costs would be absorbed.

These changes will require an Over the Counter license system program change
Modification to office procedures
Modifications to printed and web-based forms referencing license fees.

This legislation will require programming changes to the Missouri Electronic Driver License (MEDL also referred to as Over the Counter-OTC) software and supporting applications. These programming changes will need to be designed and tested.

DLB for FY2009

100	Estimated hours for project completion (requirements and system testing)
<u>X \$100</u>	Hourly rate for an OTC contractor
\$10,000	

Due to the Statewide Information Technology Consolidation, DOR's response to a proposal will now also reflect the cost estimates prepared by OA-IT for impact to the various systems. As a

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ASSUMPTION (continued)

result, the impact shown may not be the same as previous fiscal notes submitted. In addition, if the legislation is Truly Agreed To and Finally Passed, the OA-IT costs shown will be requested through appropriations by OA-IT.

Office of Administration Information Technology (ITSD DOR) estimates that this legislation could be implemented utilizing 5 existing CIT III's for 1 month and 6 existing CIT III's for 4 months and 4 existing CIT III's for 5 months at a rate of \$4,418. The Office of Administration Information Technology (ITSD DOR) estimates the IT portion of this request can be accomplished within existing resources; however, if priorities shift, additional FTE/overtime would be needed to implement.

Officials at the **Department of Elementary and Secondary Education** 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 **Office of the State Courts Administrator, Department of Economic Development, Office of the State Treasurer, Department of Agriculture** and the **Office of Prosecution Services** assume that there is no fiscal impact from this proposal.

Officials at the **City of Centralia** assume costs of \$400 per year for POST training.

Officials at the **City of Columbia** assume the ability to administer the CDL tests to employees will save several thousand dollars each year.

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

ASSUMPTION (continued)

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.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Loss - General Revenue</u>			
Aviation jet fuel tax (144.805)	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)
<u>Loss- Sales Tax Exemption (144.030)</u>	(Unknown)	(Unknown)	(Unknown)
<u>Cost- Department of Revenue</u>			
vendor license fee (302.177)	(\$1,144)	(\$1,144)	(\$1,144)
<u>Cost -Department of Revenue</u>			
70 yr old waiver (302.177)	<u>(\$4,613)</u>	<u>(\$15,375)</u>	<u>(\$15,375)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown greater than \$105,757)</u>	<u>(Unknown greater than \$116,519)</u>	<u>(Unknown greater than \$116,519)</u>

CONSERVATION FUND

<u>Loss</u> - Sales Tax Exemption (144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON CONSERVATION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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PARK AND SOIL FUND

<u>Loss</u> - Sales Tax Exemption (144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON PARK AND SOIL FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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SCHOOL DISTRICT FUNDS

<u>Loss</u> - Sales Tax Exemption (144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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AVIATION FUND

<u>Revenue</u> - Department of Transportation			
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Aviation jet fuel tax (144.805)	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>
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ESTIMATED NET EFFECT ON AVIATION FUND	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>	<u>Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000</u>
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ROAD FUND

<u>Cost</u> - Larry Gene Taylor road signs	<u>(\$2,200)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON THE ROAD FUND	<u>(\$2,200)</u>	<u>\$0</u>	<u>\$0</u>
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INSURANCE DEDICATED FUNDIncome - DIFP

Registration fees	\$50,000	\$50,000	\$50,000
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Costs - DIFP

Personal service (1.0 FTE)	(\$16,052)	(\$32,906)	(\$33,728)
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Fringe benefits	(\$7,265)	(\$14,893)	(\$15,265)
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Equipment and expense	(\$4,155)	(\$3,708)	(\$3,818)
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Total <u>Cost</u> - DIFP	<u>(\$27,472)</u>	<u>(\$51,507)</u>	<u>(\$52,811)</u>
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**ESTIMATED NET EFFECT ON
INSURANCE DEDICATED FUND**

	<u>\$22,528</u>	<u>(\$1,507)</u>	<u>(\$2,811)</u>
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Estimated Net FTE Change for Insurance Dedicated Fund	1 FTE	1 FTE	1 FTE
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HIGHWAY FUND

Transfer Out - to the Missouri Highway
Patrol Academy Fund (340.230)

Training for vehicle enforcement officers to meet new 600 hour standard	(\$140,250)	(\$144,458)	(\$148,791)
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Cost - Missouri Highway Patrol (577.023)

Computer Modifications (Mules)	(\$48,000)	\$0	\$0
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Costs- Department of Revenue

computer modifications (MEDL)	(\$10,000)	\$0	\$0
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Savings - Department of Revenue

apportioned plate savings (301.130)	\$107,086	\$0	\$0
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Loss- Department of Revenue

plate collection fee loss (301.130)	(\$107,086)	\$0	\$0
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Costs - Department of Revenue

apportioned plates costs (301.130)	\$0	(\$9,730)	(\$9,730)
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Revenue - Department of Revenue

apportioned plate revenue (301.130)	\$0	\$9,730	\$9,730
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Loss - Hwy Fund

waived license fee & exam (302.177)	(\$14,990)	(\$14,990)	(\$14,990)
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Costs - Hwy Fund

third-party audits (302.720)	(Unknown)	(Unknown)	(Unknown)
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**ESTIMATED NET EFFECT TO THE
HIGHWAY FUND**

<u>(\$213,240)</u>	<u>(\$159,448)</u>	<u>(\$163,781)</u>
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HIGHWAY PATROL ACADEMYTransfer In - from Highway Fund
(340.230)

\$140,250	\$144,458	\$148,791
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Costs - Missouri Highway PatrolTo train 135 Commercial Vehicle
Officers to POST standards (340.230)

<u>(\$140,250)</u>	<u>(\$144,458)</u>	<u>(\$148,791)</u>
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**ESTIMATED NET EFFECT TO THE
HIGHWAY PATROL ACADEMY
FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local GovernmentFY 2009
(10 Mo.)

FY 2010

FY 2011

LOCAL GOVERNMENT FUNDSLoss- Sales Tax Exemption (144.030)

(Unknown)	(Unknown)	(Unknown)
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Loss - Cities and Counties

waived license fee & exam (302.177)

<u>(\$4,997)</u>	<u>(\$4,997)</u>	<u>(\$4,997)</u>
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**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENT FUNDS**

<u>(Unknown greater than \$4,997)</u>	<u>(Unknown greater than \$4,997)</u>	<u>(Unknown greater than \$4,997)</u>
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FISCAL IMPACT - Small Business

Having an adequate local airport is an important part of a community's economic development package used to attract and retain business and industry.

FISCAL DESCRIPTION

This act modifies several provisions of law relating to transportation and the regulation of motor vehicles.

AIRCRAFT SALES TAX EXEMPTION - Under current law, purchases of materials, replacement parts and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of aircraft engaged as common carriers of people and property are exempt from state and local sales tax. This act would expand the exemption to apply purchases of materials, replacement parts and equipment purchased for use directly upon, and for the modification, repair, replacement and maintenance of aircraft, aircraft power plants, and aircraft accessories from January 1, 2009, to January 1, 2015 (Section 144.030).

AVIATION TRUST FUND CAP REMOVAL - This act increases the cap on the amount of jet fuels sales taxes that can be deposited into the State Aviation Trust Fund. Under current law, only \$6 million generated from jet fuel sales taxes may be deposited to the credit of the Aviation Trust Fund. This act increases the cap to \$10 million (Section 144.805).

COMMERCIAL AIRCRAFT TAXATION - This act modifies the definition of "commercial aircraft" for aircraft taxation purposes. Under the act, the term "commercial aircraft" is now any aircraft fully equipped for flight and of more than 3,000 pounds maximum certified gross take-off weight. Under the current statute, the weight threshold is greater than 7,000 pounds (Section 155.010).

ELECTRONIC BIDDING - Under this act, the Highways and Transportation Commission is authorized to receive bids and bid bonds for any contract for construction, maintenance, repair, or improvement of any bridge or highway on the state highway system electronically via the Internet. At its discretion, the commission may elect to receive both electronic and paper bids, or the commission may specify electronic bidding exclusively for any proposed contract. The act establishes minimum criteria for the electronic bidding program (Section 227.102).

ANNUAL BID BOND - This act provides that the 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. (Section 227.103).

FISCAL DESCRIPTION (continued)

SENATOR LARRY GENE TAYLOR MEMORIAL BRIDGE - This act designates the bridge on State Highway 39 at Table Rock Lake in the City of Shell Knob as the "State Senator Larry Gene Taylor Memorial Bridge." (Section 227.378)

JEFF MCBRIDE MEMORIAL HIGHWAY - This act designates a portion of Interstate 55 in Jefferson County as the "Jeff McBride Memorial Highway (Section 227.397).

POLICE OFFICER ROBERT STANZE MEMORIAL HIGHWAY - This act designates a portion of Interstate 44 within St. Louis County as the "Police Officer Robert Stanze Memorial Highway" (Section 227.400).

SPECIAL ROAD DISTRICT COMMISSIONERS - This act allows a 5th commissioner to be appointed in a special road district that is located in 2 counties with an additional 4th commissioner appointed by the county outside of the original district (Section 233.155).

TRANSPORTATION DEVELOPMENT DISTRICTS - The act modifies the procedure for forming a transportation development district for a district to be established within 2 or more counties. Under the act, 50 or more registered voters from each of the counties may sign a petition calling for the creation of joint establishment of a district for a project to be located in multiple counties. The petition may be filed in the circuit court of any of the petitioner counties. The district and proposed funding shall be subject to voter approval under one election, rather than a bifurcated process (Sections 238.202, 238.207 and 238.210).

UTILITY VEHICLES - This act provides a definition for the term "utility vehicle" and allows for their use on the highways under certain circumstances (Sections 301.010 and 304.032). Under the act, a utility vehicle is any motorized vehicle manufactured and used exclusively for off-highway use which is 63" or less in width, with an unladen dry weight of 1,850 pounds or less, traveling on 4 or 6 wheels, to be used primarily for landscaping , lawn care or maintenance purposes.

EXEMPTION FROM RE-ISSUANCE REQUIREMENT - This act exempts permanent nonexpiring license plates that are issued to certain commercial motor vehicles and trailers from the new plate design and reissuance requirements that take effect on January 1, 2009 (Section 301.130).

LICENSE PLATES FOR PROPERTY-CARRYING COMMERCIAL MOTOR VEHICLES - Under this act, the option of receiving 2 license plates for any property-carrying commercial motor vehicle is repealed (Section 301.130.3).

FISCAL DESCRIPTION (continued)

LEFT-HAND LANE PROHIBITION - This act prohibits trucks registered for a gross weight greater than 48,000 pounds from being driven in the far left-hand lane upon interstates and other highways within the urbanized areas of the state having 3 or more lanes of traffic proceeding in the same direction. The restriction does not apply under certain circumstances (e.g. right hand lane is closed to due to construction)(Section 304.015).

FIRST CLASS COUNTY SPEED LIMITS - Under this act, first class county commissions are exempt from following certain procedural requirements (public hearings, publication in local newspapers, etc.) with regards to regulations that increase speed limits (Section 304.130).

IDLE REDUCTION TECHNOLOGY - This act provides that the maximum gross vehicle weight limit and axle weight limit for heavy-duty vehicles equipped with idle reduction technology may be increased (up to an additional 400 pounds) to account for the technology. (Section 304.180).

INCREASED WEIGHT LIMITS ON CERTAIN HIGHWAYS - Under this act, the total gross weight of any vehicle or combination of vehicles hauling livestock may be as much as, but shall not exceed, 85,500 pounds while operating on U.S. Highway 36 from St. Joseph to U.S. Highway 65, and on U.S. Highway 65 from the Iowa state line to U.S. Highway 36 (section 304.180.9).

COMMERCIAL MOTOR VEHICLE INSPECTIONS - This act requires the state patrol to establish a program to approve local law enforcement officers with respect to enforcing commercial motor vehicle laws. The certification procedures approved 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. The act grandfathers law enforcement officers who have received CVSA certification prior to January 1, 2009 (Section 304.232).

Beginning January 1, 2009, only law enforcement officers that have been approved 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

FISCAL DESCRIPTION (continued)

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 shall issue such vehicle a Commercial Vehicle Safety Alliance inspection decal to be affixed to the vehicle (Section 304.230 and 304.232).

The act also provides that commercial vehicle officers designated as peace officers by the highway patrol shall be vested with the authority to make arrests for commercial vehicle violations (Section 304.230). The act requires such officers to undergo basic training that other peace officers undertake. The act also provides that the superintendent of the highway patrol may appoint members of the patrol who have CVSA certification to conduct commercial vehicle inspections (Section 304.230).

TRAVEL SAFE ZONE - This act doubles the fine imposed for a moving or speeding violation when committed in a designated travel safe zone. A "travel safe zone" is defined as any area upon or around any highway, visibly marked by the Department of Transportation, where a highway safety analysis shows the number of fatal or disabling vehicle crashes exceeds a predicted safety performance level for comparable roadways as determined by the department. In order to assess the fines, the department must have erected signs around the travel safe zone which warn motorists that fines are doubled for speeding and committing other moving violations in the travel safe zone (Section 304.590).

AVIATION TRUST FUND EXPANSION - This act allows \$2 million from the Aviation Trust Fund to be used for the study or promotion of expanded domestic or international scheduled commercial service, for the study or promotion of intrastate scheduled commercial service, or to assist airport sponsors participating in a federally funded air service program supporting intrastate scheduled commercial service. The act further requires that there must have been at least \$6 million deposited in the fund in the previous calendar year before aviation trust funds can be utilized for these purposes (Section 305.230). This act also allows moneys in the Aviation Trust Fund to be used to assist communities to match federal air traffic control tower cost-share program grants. Under the act, up to \$500,000 per year may be used on a ratio of 50% state/50% local to meet the non-federal match requirement. No more than \$100,000 per year may be used for any individual air traffic control tower (Section 305.230).

IMPLEMENTATION OF UNIFIED CARRIER REGISTRATION ACT - This act authorizes the State Highways and Transportation Commission to take the necessary steps to implement and

FISCAL DESCRIPTION (continued)

administer a state plan to conform with the Unified Carrier Registration Act (UCR Act) of 2005 (Section 390.021).

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).

PRIOR DWI AND INTOXICATION-RELATED OFFENSES - This act attempts to rectify a recent Supreme Court ruling which held that a defendant's prior guilty plea and suspended imposition of sentence in municipal court could not be used to enhance the punishment for the defendant's new intoxication-related traffic offense. This act specifies that a conviction, plea of guilty or a finding of guilty followed by incarceration, a fine, a suspended imposition of sentence, suspended execution of sentence, probation or parole or any combination thereof in any intoxication-related traffic offense in a state, county or municipal court shall be treated as a prior plea of guilty or finding of guilty for purposes of enhanced punishment under Section 577.023 (Section 577.023).

MISSOURI VEHICLE PROTECTION PRODUCT ACT - This act establishes the Missouri Vehicle Protection Product Act. Under the act, a person would be prohibited from selling or offering for sale a vehicle protection product in Missouri unless the seller, warrantor, and any administrator complies with the provisions of the proposed act. A vehicle protection product warrantor, a seller of a vehicle protection product, or a warranty administrator that complies with the act shall not be subject to any other provisions of the state insurance code. The proposed act would apply to all warranted products sold or offered for sale on or after January 1, 2009. The failure of any person to comply with the Act before its effective date would not be admissible in any court proceeding, administrative proceeding, arbitration, or alternative dispute resolution proceeding and may not be used to prove that the action of any person or the vehicle protection product was unlawful or otherwise improper. The vehicle product protection provisions have an effective date of January 1, 2009. (sections 385.400 to 385.436).

PEACE OFFICER CONTINUING EDUCATION - Under this act, peace officers who make traffic stops shall receive 3 hours of training within the continuing education 3 year reporting period. The director of the Department of Public Safety may waive continuing education requirements for licensees who have been activated for military duty (Section 590.050).

FISCAL DESCRIPTION (continued)

IGNITION INTERLOCK DEVICES - This act makes the current ignition interlock device law for repeat offenders an administrative requirement enforced by the Department of Revenue instead of the courts. Under the terms of the act, repeat offenders must provide proof of installation to the department in order to obtain a license or limited driving privilege.

Under the terms of this act, any person who has been convicted more than twice of a driving while intoxicated offense and had his or her license or driving privilege denied cannot have his or license reinstated until the person has filed proof with the Director of the Department of Revenue that his or her motor vehicle is equipped with an ignition interlock device. The ignition interlock device must be maintained on all motor vehicles operated by the person for a period of at least 6 months following the date of reinstatement. If the person fails to maintain the proof, the restricted driving privilege will be suspended for the remainder of the six-month period or until the person files proof with the director (Section 302.060).

The act applies the same criteria to persons who have had their license suspended or revoked due to points for a second or subsequent conviction relating to driving while in an intoxicated condition, driving under the influence of controlled substances or drugs or driving with a blood alcohol content of eight-hundredths of one percent or more by weight. Such persons must also file proof with the director that have equipped their motor vehicles with certified ignition interlock devices. Such devices shall be maintained on all vehicles for a period of at least 6 months following the date of reinstatement. If the person fails to maintain proof of maintaining an ignition interlock device, the person will be guilty of a Class A misdemeanor (Section 302.304). The act specifies that a limited driving privilege may be granted to a person seeking the services of a certified ignition interlock device provider. No limited driving privilege shall be issued under Section 302.309 until the applicant for such privilege files proof with the Director of Revenue that all of the motor vehicles operated by the applicant are equipped with certified ignition interlock devices. Failure to maintain proof of installation of a functioning, certified ignition interlock device shall result in termination of the limited driving privilege (Section 302.309). The provisions of the act relating to the installation of ignition interlock devices become effective July 1, 2009.

SCHOOL BUS ENDORSEMENT FEES - This act waives school bus endorsement renewal fees for applicants 70 years of age or older (Section 302.177 and Section 302.735). This act waives the school bus endorsement examination fee for an applicant 70 years of age or older (Section 302.720).

FISCAL DESCRIPTION (continued)

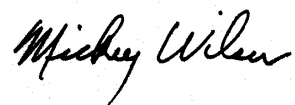
THIRD-PARTY TESTERS - This act requires the Department of Revenue to certify certain municipalities as third-party testers for purposes of administering the commercial drivers licensing law (Section 302.720).

FAILURE TO PREPAY FINE OR APPEAR IN COURT - This act provides that when a motorist pays fines and court costs associated with a moving traffic violation, and any reinstatement fees, the director of revenue shall return the motorist's driver's license and remove the suspension from the motorist's driving record. This provision is applicable to situations where the motorist's license has been suspended for failing to pay a moving violation ticket (Section 302.341).

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

SOURCES OF INFORMATION

Budget and Planning
Department of Revenue
Missouri Department of Transportation
City of Centralia
City of Columbia
Office of the Secretary of State
Office of the State Courts Administrator
Office of Prosecution Services
Department of Economic Development
Department of Elementary and Secondary Education
Department of Agriculture
Missouri Highway Patrol
Office of the State Treasurer
Department of Insurance, Financial Institutions and Professional Registration
Department of Conservation
Office of the State Public Defender
Department of Natural Resources



L.R. No. 4251-10

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June 4, 2008

Mickey Wilson, CPA

Director

June 4, 2008