

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0165-01
Bill No.: SB 58
Subject: Transportation; Revenue Department; Motor Vehicles; Licenses - Motor Vehicles; Licenses - Driver's; Boats and Water craft
Type: Original
Date: February 3, 2009

Bill Summary: Modifies several provisions of law relating to the regulation of motor vehicles

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$430,544	\$516,653	\$516,653
Total Estimated Net Effect on General Revenue Fund	\$430,544	\$516,653	\$516,653

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

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

Officials from the **Office of Prosecution Services** state this proposal will have no measurable impact on the Missouri Office of Prosecution Services.

Officials from the **Department of Natural Resources** state this proposal will have no direct fiscal impact on their agency.

Officials from the **Department of Social Services (DOS)** state there is no fiscal impact to their agency. §302.545 refers to licenses for persons less than 21 years of age, but there is no direct relevance to youth in the care of DOS.

Officials from the **Department of Corrections (DOC)** state that, currently, the DOC cannot predict the number of new commitments which may result from the increase in penalty 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 of direct offender costs either through incarceration (FY08 average of \$15.64 per offender, per day or an annual cost of \$5,709 per inmate) or through supervision provided by the Board of Probation and Parole (FY08 average of \$2.47 per offender, per day or an annual cost of \$902 per offender).

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

ASSUMPTION (continued)

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.

According to the **Department of Transportation (MoDOT)**, some of the changes contained in this proposed legislation (specifically, the changes to the definition of “hazardous material”; the changes relating to failure to appear or failure to pay; changes relating to the military commercial driver’s license exemption; and changes to the definition of “farm vehicle”) were required in an audit of the Department of Revenue’s (DOR) commercial driver’s license (CDL) program conducted by the Federal Motor Carrier Safety Administration (FMCSA).

In a letter sent to DOR on April 29, 2008, Joe Boyd, FMCSA Division Administrator, indicated that unless certain legislative changes were made so that Missouri is in substantial compliance with the Federal Motor Carrier Safety Regulations (FMCSRs), Missouri would be subject to withholdings of its federal-aid highway funds pursuant to 49 Code of Federal Regulations (CFR) Part 384.401.

According to MoDOT, the following proposed changes are required in order to be in compliance with FMCSA:

Amends §302.700.2(8) and 302.755 so that DOR will disqualify a CDL holder upon receipt of a conviction for failure to appear or failure to pay, and that disqualification will continue until the pending court appearance or fine is resolved;

Amends the definition of “hazardous materials” in §302.700 to comply with the current federal definition of “hazardous materials”; and,

Removes the language in §302.775 which only authorizes a CDL exemption for military personnel when driving military vehicles. This change was required by FMCSA, because the federal exemption for military personnel extends to non-military vehicles as well (so long as they are driving the vehicle for military purposes).

Officials from MoDOT anticipate a zero fiscal impact to their agency. This proposal, if enacted, will ensure that Missouri does not face sanctions of its National Highway System, Surface Transportation Program and Interstate Maintenance Funds pursuant to 49 CFR Part 384.401. Without some of these changes, FMCSA could decide to pursue withholdings of these funds. The estimated loss of federal funds to MoDOT would be \$25 million (5%) the first year and \$50 million (10%) each addition year.

ASSUMPTION (continued)

LMD:LR:OD (12/02)

§306.535

Officials from the **Department of Revenue (DOR)** state this section may have an increase due to outboard motor title penalties increasing. If DOR assumes the same number of applicants will be delinquent in titling outboard motors with the new increase penalties in place as the current penalties, there will be an increase in General Revenue funds in outboard motor title penalties in the amount of \$430,544 in FY10 and \$516,653 each fiscal year thereafter. DOR will need to revise procedures/forms to reflect the increase in outboard motor title penalties as well as issue a mailing to boat dealers. These costs will be minimal and will be absorbed.

DOR will also need to test the required programming changes on the expungement provisions and the disqualification for fail to appear and pay. This can be accomplished with existing resources and during a normal work day.

The **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing 1 existing CIT III's for 3 months at a rate of \$4,441/mo for a total cost of \$13,323. 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.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Income</u> - Department of Revenue - Increased outboard motor title penalties (\$306.535.4)	<u>\$430,544</u>	<u>\$516,653</u>	<u>\$516,653</u>
ESTIMATED NET IMPACT ON GENERAL REVENUE	<u>\$430,544</u>	<u>\$516,653</u>	<u>\$516,653</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposed legislation modifies several provisions of law relating to the regulation of motor vehicles.

§302.230

FALSE STATEMENTS - Increases the penalty for making a false unsworn statement or affidavit in the driver's license process from a Class A misdemeanor to a Class D felony,

§302.700.2(8) & 302.755.17

FAILURE TO APPEAR - 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.

§302.700.2 (21)

HAZARDOUS MATERIAL DEFINITION - Modifies the definition of hazardous materials to correspond with federal law and regulations.

§302.775 (2)

CDL MILITARY EXEMPTION - 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.

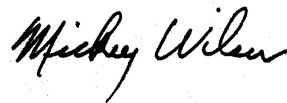
§306.535.4

DELINQUENCY FEES - This act increases the penalties on delinquent outboard motor certificate of title applications from \$10 to \$25 for each 30 days of delinquency (not to exceed \$200).

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

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Corrections
Department of Social Services
Department of Revenue
Department of Transportation
Department of Natural Resources
Department of Agriculture
Department of Public Safety
 Office of the Director
 Missouri State Highway Patrol
 Missouri State Water Patrol
Office of Prosecution Services
State Public Defender

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

Mickey Wilson, CPA
Director
February 3, 2009