

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0165-11
Bill No.: HCS for SS for SB 58
Subject: Transportation: Revenue Department; Motor Vehicles; Licenses - Motor Vehicle;
Licenses - Driver's; Boats and Watercraft
Type: Original
Date: April 27, 2009

Bill Summary: This proposal 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	(\$385,851 to Unknown)	(\$555,128 to Unknown)	(\$571,783 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$385,851 to Unknown)	(\$555,128 to Unknown)	(\$571,783 to Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Highway Funds	\$86,026 to Unknown	\$103,230 to Unknown	\$103,230 to Unknown
State Road Fund	(\$158,500)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown - Up to \$72,474)	\$103,230 to Unknown	\$103,230 to Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 12 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	\$31,699 to Unknown - Expected to be less than \$100,000	\$38,035 to Unknown - Expected to be less than \$100,000	\$38,035 to Unknown - Expected to be less than \$100,000

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 **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Natural Resources, Department of Agriculture; Department of Insurance, Financial Institutions and Professional Registration, and the Department of Public Safety - Missouri State Highway 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 fiscal impact on their agency or county prosecutors.

Officials from the **Department of Public Safety - Office of the Director** assume that any costs associated with this proposed legislation can be absorbed with existing resources.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

§301.165, 301.3155, 301.3158, 301.4005, 301.4006, 301.4010, 301.4016, 301.4018, 301.4020 - Specialty license plates

Officials from the **Department of Corrections - Missouri Vocational Enterprises** state this portion of the proposal would have no fiscal impact on their agency.

ASSUMPTION (continued)

Officials from the **Missouri Veterans Commission** state this proposal will have no fiscal impact on their agency.

This proposed legislation provides authorization for nine specialized license plates. According to officials from the **Department of Revenue (DOR)**, the number of applicants who will wish to obtain these specialized plates are unknown. However, for each 100 of the individual specialty plate applications received, there will be an increase in revenue each year \$1,500 from the \$15 specialty plate fee of which 75% would be distributed to the Highway Fund, 15 % to cities, and 10% to counties. The one exception is the Brain Tumor Awareness Organization plate which has a \$25 specialty plate fee. DOR will need to revise procedures, update the TRIPS plate table, and request funding in the amount of \$1,500 for every 100 specialty applications received per application for plate set-up, postage, envelope, notification, and plate costs.

§302.289 - Procedures for towing abandoned property

Officials at the **Department of Revenue (DOR)** assume that by allowing towing companies to request a record search any time within the first 45 days of a tow, the number of abandoned vehicle record searches completed by DOR and corresponding notices to vehicle owners will increase by 100%, or 351 per week, 18,352 per year. A Revenue Licensing Tech can process about 12 searches per hour. DOR anticipates that 50% of these applicants (9,176) will not comply with the notice, requiring DOR to suspend their registration. A Revenue Licensing Tech can process about 10 suspensions and related searches an hour.

DOR will need to:

- Revise policies and procedures;
- Notify 400 tow companies throughout Missouri of the change in legislation at a cost of \$154 in FY '10 to General Revenue for printing, postage, and envelopes;
- Process 18,352 additional record searches each year, issue the "first" notices to 18,352 vehicle owners, and suspend 9,176 records/issue related suspension notices each year
- Revise GRS to accommodate a new suspension code

DOR will require funding for 2 Revenue Licensing Techs and 1 Telephone Information Operator to perform these additional functions, respond to related telephone calls/emails, supporting expenses, and equipment for the three fiscal years respectively . Postage and envelope costs for the three mailings required are also included.

The Drivers License Bureau will have to create a suspension pending notice that will be mailed

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ASSUMPTION (continued)

to the registered owner. DOR assumes the fee that is listed in subsection 3 that cannot exceed \$10 is an additional fee that would be applied if the registered owner requests a hearing. DOR would incur cost of the printing of the notice, postage, and envelope when sending out the notification to the registered owner. Total estimated number of suspension notices, based on statistics provided by the Motor Vehicle Bureau, is 9,176.

When DOR receives the notification from the towing company that the owner has failed to pay their charges, the Driver License Bureau will need to insure that enough information is provided to suspend the correct person's license as the Motor Vehicle Registration System and the Driver License System are not compatible. DOR would require a new subsystem for processing in the Driver License system (MODL). This would require testing that would be absorbed by DOR with current staff.

The Driver License Bureau (DLB) will need 1 additional Revenue Licensing Tech I position to process the suspension notification, compliance information and reinstatement requirements. DLB estimates that approximately 9,176 suspensions will be generated each year and assumes that 50% of those suspended will request a hearing based on the current rate of hearings requested for other administrative suspensions. The hearings will require 4 additional Appeals Referee (Administrative Hearing Officer) positions to conduct the hearings and issue a final order. DLB will also need 2 additional Senior Office Support Assistant – Keyboarding positions to answer phones, prepare the hearing docket, and issue hearing letters.

The \$10 hearing request fee would generate approximately \$34,410 and reinstatement fees would generate approximately \$68,820 per year.

The **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing 3 existing CIT III's for 9 months at a rate of \$4,441/mo for a total cost of \$124,348. 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 this section.

§329.545, 302.755, 311,326

The DOR Driver License Bureau will need to test the programs that would change the expungement provisions and the disqualifications for Failure to Appear. This can be absorbed with existing resources and staff during normal work hours.

ASSUMPTION (continued)

§302.545, 302.700, 302.735, 302.755, and 311.326

DOR officials state that revisions to these sections are mandated for compliance with the Federal Motor Carrier Safety Regulations, 49 CFR Part 383 and §384.403 for Commercial Driver License (CDL) holders, as promulgated by the US Department of Transportation, Federal Motor Carrier Safety Administration (FMCSA)

§565.081, 565.082, 565.083 - Assault of a corrections officer or a highway worker in a construction zone or a work zone

Officials from the **Department of Corrections (DOC)** state that, currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this portion of the proposal. Highway construction zone workers and correctional officer are added to the list of persons covered pursuant to the crime of assault of a law enforcement officer. 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 (FY08 average of \$2.47 per offender, per day or an annual cost of \$902 per offender).

In summary, supervision by the DOC through probation would result in additional unknown costs to DOC. Eighteen persons would have to be incarcerated per each fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

Sections 1, 2, 3, 4, 5 - Mississippi River Bridge Project

According to officials from the **Department of Transportation (MoDOT)**, this portion of the proposed legislation authorizes the Governor to convey a parcel of real property owned by the State of Missouri, which is currently being used by the Department of Corrections as a minimum security correctional facility, to the Missouri Highways and Transportation Commission for a new Mississippi River Bridge project. 32,682 square feet of land is conveyed in fee simple for the construction of approach roadways for the new bridge, 17,333 square feet is conveyed by permanent easement for the necessary relocation of Union Electric's existing transmission lines, and there will be temporary easements granted by the State of Missouri as necessary for construction features, such as curb and replacement parking, on the remaining land used by the

ASSUMPTION (continued)

Department of Corrections. MoDOT officials anticipate purchasing the property for \$158,500.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE FUND			
<u>Transfer In</u> - Office of Administration - Land conveyance (Sections 1, 2, 3, 4, 5)	\$158,500	\$0	\$0
<u>Cost</u> - Department of Revenue - Processing costs for specialty plates (§301.165, 301.3155, 301.3158, 301.4005, 301.4006, 301.4010, 301.4016, 301.4018, 301.4020)	(Unknown - Expected to be less than \$100,000)	(Unknown - Expected to be less than \$100,000)	(Unknown - Expected to be less than \$100,000)
<u>Cost</u> - Dept of Revenue (§302.289)			
Personal Service (10 FTE)	(\$289,162)	(\$357,404)	(\$368,127)
Fringe Benefits	(\$140,619)	(\$173,806)	(\$179,020)
Equipment and Expenses	(\$80,253)	(\$6,414)	(\$6,607)
Printing and mailings	<u>(\$14,317)</u>	<u>(\$17,504)</u>	<u>(\$18,029)</u>
Total Costs - DOR	(\$524,351)	(\$555,128)	(\$571,783)
FTE Change - DOR	10 FTE	10 FTE	10 FTE
<u>Cost</u> - Department of Corrections - Incarceration costs (§565.081, 565.082, 565.083)	(Unknown - Expected to be less than \$100,000)	(Unknown - Expected to be less than \$100,000)	(Unknown - Expected to be less than \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$385,851 to Unknown)</u>	<u>(\$555,128 to Unknown)</u>	<u>(\$571,783 to Unknown)</u>

Estimated Net FTE Change on General Revenue Fund	10 FTE	10 FTE	10 FTE
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<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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STATE ROAD FUND

<u>Transfer Out</u> - MoDOT - Land conveyance (Sections 1, 2, 3, 4, 5)	(\$158,500)	\$0	\$0
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ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>(\$158,500)</u>	<u>\$0</u>	<u>\$0</u>
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HIGHWAY FUND

<u>Income</u> - Fees for specialty plates (§301.165, 301.3155, 301.3158, 301.4005, 301.4006, 301.4010, 301.4016, 301.4018, 301.4020)	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000
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<u>Income</u> - Reinstatement and hearing fees (§302.289)	<u>\$86,026</u>	<u>\$103,230</u>	<u>\$103,230</u>
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ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$86,026 to Unknown</u>	<u>\$103,230 to Unknown</u>	<u>\$103,230 to Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities - Reinstatement and hearing fees (§302.289)	\$17,204	\$20,646	\$20,646
<u>Income</u> - Cities - Fees for specialty plates (§301.165, 301.3155, 301.3158, 301.4005, 301.4006, 301.4010, 301.4016, 301.4018, 301.4020)	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000	Unknown - Expected to be Less than \$100,000)
<u>Income</u> - Counties - Reinstatement and hearing fees (§302.289)	\$11,470	\$13,764	\$13,764
<u>Income</u> - Counties - Fees for specialty plates (§301.165, 301.3155, 301.3158, 301.4005, 301.4006, 301.4010, 301.4016, 301.4018, 301.4020)	Unknown - Expected to be less than \$100,000	Unknown - Expected to be less than \$100,000	Unknown - Expected to be Less than \$100,000)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u><u>\$31,699 to</u></u> <u><u>Unknown -</u></u> <u><u>Expected to be</u></u> <u><u>less than</u></u> <u><u>\$100,000</u></u>	<u><u>\$38,035 to</u></u> <u><u>Unknown -</u></u> <u><u>Expected to be</u></u> <u><u>less than</u></u> <u><u>\$100,000</u></u>	<u><u>\$38,035 to</u></u> <u><u>Unknown -</u></u> <u><u>Expected to be</u></u> <u><u>less than</u></u> <u><u>\$100,000</u></u>

FISCAL IMPACT - Small Business

An individual who has had a vehicle towed can have the registration suspended on any vehicle registered in their name therefore, the towing companies may recoup their towing charges quickly. Organizations and federations could see a positive fiscal impact from contributions to the organization or federation after the initial \$5,000 application fee for the special license plate.

FISCAL DESCRIPTION

§301.165, 301.3155, 301.3158, 301.4005, 301.4006, 301.4010, 301.4016, 301.4018, 301.4020 - Specialty license plates

This proposal would provide authorization for the following specialty license plates: Brain Tumor Awareness Organization, Armed Forces Expeditionary Medal, Legion of Merit Medal, Missouri Bicycle Federation, Nixa Education Foundation, National Wild Turkey Federation, Missouri Stream Team Program, Missouri State D.A.R.E. Training Center, United State Submarine Incorporation

§302.289 - Procedures for towing abandoned property

This section establishes the procedures for a towing company to recover reasonable towing and storage fees after towing abandoned property from public property when directed by law enforcement. The towing company can file within 30 days, but not more than 45 days after removal, an affidavit along with an application including certain information regarding the personal property towed as well as a copy of the crime inquiry and inspection report to the Department of Revenue (DOR).

Within five days of receipt of the application, DOR must send notice to the registered owner of the abandoned property that a claim for reasonable towing and storage charges has been filed. If the owner does not provide satisfactory proof of payment of the charges within 30 days of receiving the notice, the owner's driver's license or driving privileges and any motor vehicle registrations registered in the owner's name will be suspended. A notice of suspension must be mailed to the registered owner at the last known address specifying the reasons for and the effective date of the suspension and include information regarding the right and procedures for requesting a hearing.

The suspension becomes effective 30 days after it is deemed the notice has been received and will continue until the owner submits proof that he or she has satisfied all reasonable towing and storage charges associated with the abandoned property. Reasonable storage charges shall not exceed twenty-five dollars a day for a maximum of 90 days.

§565.081, 565.082, 565.083

This portion of the proposal expands the crimes of assault of a law enforcement officer, emergency personnel, or probation and parole officer in the first, second, or third degree to include highway construction zone workers and correctional officers.

FISCAL DESCRIPTION (continued)

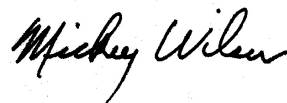
Sections 1, 2, 3, 4, 5 - Mississippi River Bridge Project

This portion of the proposed legislation authorizes the Governor to convey a parcel of real property, which is being currently used by the Department of Corrections as a minimum security correctional facility, to the Missouri Highways and Transportation Commission for a new Mississippi River Bridge project.

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

SOURCES OF INFORMATION

Office of the State Courts Administrator
Office of the Secretary of State
 Administrative Rules Division
Office of Attorney General
Department of Natural Resources
Department of Public Safety
 Office of the Director
 Missouri Highway Patrol
Department of Revenue
Missouri Department of Transportation
Department of Agriculture
Department of Insurance, Financial Institutions and Professional Registration
Office of Prosecution Services
Department of Elementary and Secondary Education
Department of Corrections
 Missouri Vocational Enterprises
Missouri Veterans Commission



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