

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1350-09  
Bill No.: SCS for HCS for HB 427 with Senate Amendments 1, 3, 4 & 5  
Subject: Boards, Commissions, Committees, Councils; Cemeteries; Higher Education;  
 Family Law; Funeral and Funeral Directors; Liability; Licenses - Motor Vehicle;  
 Military Affairs; Secretary of State; Veterans  
Type: Original  
Date: April 27, 2009

Bill Summary: This proposal enacts various provisions related to veterans, military members and their families.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown - less than \$100,000)	(Unknown - less than \$100,000)	(Unknown - less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown - less than \$100,000)</b>	<b>(Unknown - less than \$100,000)</b>	<b>(Unknown - less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Road Funds	(Less than \$116,600)	Unknown - less than \$100,000	Unknown - less than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Less than \$116,600)</b>	<b>Unknown - less than \$100,000</b>	<b>Unknown - less than \$100,000</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 10 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>Unknown - less than \$100,000</b>	<b>Unknown - less than \$100,000</b>	<b>Unknown - less than \$100,000</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Missouri Veterans Commission** state the bill will almost double the cost of current expenses for meals, mileage and lodging for commissioners. This is estimated to result in an increase of \$4,000 annually from General Revenue.

**Oversight** assumes this minimal cost can be absorbed with existing resources.

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact the courts.

Officials from the **Department of Social Services, Department of Insurance, Financial Institutions and Professional Registration** and the **Office of Administration - Administrative Hearing Commission** each assume the proposal would not impact their respective agencies.

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

Officials from the **University of Missouri (UM)** state the proposal will fiscally impact their school. In response to a previous version of the proposal, UM officials stated active duty and dependents are currently given in-state residency for tuition and fee purposes in higher education when stationed in Missouri under military orders.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact 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, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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)

Section 41.150 - Assistant Adjutants General;

In response to a similar proposal from this year (SB 554), officials from the **Office of the Adjutant General (OTAG)** assumed the proposal would not fiscally impact their agency. OTAG states the Missouri National Guard has grown to a point that it is qualified to have a third Assistant Adjutant General and that this position would be funded completely by federal funds and would not be part of the state appropriation process.

**Oversight** assumes this part of the proposal is permissive in nature since it states the adjutant general may assign assistant adjutants general up to the number authorized by the National Guard Bureau rules and regulations (current statutes state two). Since the funding for this additional position would be completely federal and not be subject to the state appropriation process, Oversight will assume a zero fiscal impact to state funds.

Section 173.234 - War Veteran's Survivor Grant Program;

In response to a previous version of this bill, officials from the **Department of Higher Education (DHE)** stated the bill would change the War Veteran's Survivors Grant Program, which is administered by the DHE. The changes appear to be primarily definitional and would not require the DHE to perform additional duties, change the number of students who might receive the grants, or change the amounts to which those students would be eligible to receive. Therefore, the DHE assumes that it can perform the duties associated with this bill with no additional staff or funding.

With the assumption of the Department of Higher Education that the proposal would not change the number of students who might receive the War Veteran's Survivors Grant Program benefits, **Oversight** will assume that part of the proposal does not have a fiscal impact upon the state.

Section 173.1155 In-State tuition:

In response to a similar proposal from this year (HB 666), the following agencies and schools responded.

Officials from the **Department of Higher Education (MDHE)** stated the proposal would change the residency requirements for certain statutes. The MDHE has promulgated rules on student

ASSUMPTION (continued)

residency (6 CSR 10-3.010). These rules would likely have to be updated if this passes. The MDHE assumes that it could perform the additional duties imposed by this bill with no additional staff or funding.

Officials from the **Office of the Adjutant General / Missouri National Guard** assumed the proposal would not fiscally impact their agency.

Officials from **Linn State Technical College, University of Central Missouri, Missouri Western State University, and Missouri State University** assumed the proposal would not fiscally impact their schools.

Officials from the **University of Missouri** stated active duty and dependents are currently given in-state residency for tuition and fee purposes in higher education when stationed in Missouri under military orders.

Officials from **Missouri Southern State University** assume the proposal would have minimal impact on their school.

Section 227.297 - Heroes Way Interstate Interchange Designation Program;

In response to a similar proposal from this year (SB 110), officials at the **Missouri Department of Transportation (MoDOT)** assumed no fiscal impact from this legislation. This bill would require MoDOT to fabricate, install and maintain memorial highway signs for interchanges named after fallen members of the armed forces. The cost of each sign is \$1,900. The cost of signing an interchange, one sign in each direction, would be \$3,800. As stated in the bill, these costs are to be paid for by the applicant as reimbursement to MoDOT.

Section 227.311 - Veterans' Memorial Highway;

In response to similar proposals from this year, the **Missouri Department of Transportation (MoDOT)** assumed no fiscal impact from the legislation because the legislation states that the signs will be paid for by private donations. This bill will require MoDOT to fabricate, install and maintain two memorial highway signs, one in each direction. The cost for each sign is \$1,100 giving a total of \$2,200 for two signs. The department will not fabricate the signs until payment is received.

ASSUMPTION (continued)

Section 301.451 - Purple Heart license plate;

Officials from the **Department of Revenue (DOR)** state there were 270 sets of Purple Heart plates issued in FY 08. It is unknown as to how many were the first set of plates, which the one-time \$15 will not be charged, as opposed to additional sets of plates, in which the \$15 will be charged. DOR assumes there will be an unknown decrease in revenue from the first set of plates applied for. **Oversight** estimates a loss of approximately \$4,000, which includes a minimal loss of fee income to the Highway Fund

DOR would need to revise policies/procedures, the DOR website, and the personalized plate application at the time of reprint. For every Purple Heart license plate application received, DOR would need to manually verify that a customer has not already been issued a set of Purple Heart plates to determine if the \$15 fee should be charged or not. Due to the minimal amount of applications received each year no additional FTE's are required. Program changes would be needed to record the first Purple Heart plate issued and any subsequent Purple Heart plates issued.

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 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 1 existing CIT III for 1 month at a rate of \$4,441. 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.

Section 304.840 - Bronze Star parking;

Officials from the **Department of Revenue (DOR)** assume they will need to update policies/procedures and the DOR website. They will also need to modify the Application for Missouri Military License Plates (DOR-4601). There would be no additional costs for these updates. DOR will also need to update the GRS system to record the placard and customer information and modify TRIPS to allow for processing of the application and receipt for the Bronze Star placard.

### ASSUMPTION (continued)

Although the total number of applicants is unknown, there are currently 518 Bronze Star and Bronze Star of Valor plates registered to applicants who would be eligible for this placard. Due to the low volume of eligible applicants (that are known), DOR is assuming the Bronze Star placards will be handled the same way temporary handicapped placards are and thus no additional FTEs would be needed. Due to the low volume, the cost to have them made is \$0.275 per placard from State Printing (same as handicapped placards). For every 500 placards DOR orders, \$138 would be required from General Revenue.

**Oversight** assumes this minimal cost can be absorbed with existing resources.

### Senate Amendment 4 - Road signs at Missouri's 38<sup>th</sup> Parallel;

In response to a similar proposal from 2006 (SB 1141), officials from the **Department of Transportation (MoDOT)** assumed that the estimate to locate the crossing with an approximate accuracy of 20', fabricate, install and maintain two signs (2' x 2') per location is approximately \$1,680/location. Total cost for 53 locations (106 signs) is estimated to be approximately \$89,040. The bill does not identify any individual or organization paying for the cost associated with these signs, therefore it is anticipated that the entire cost would be borne by MoDOT. An estimated cost of \$89,040 (53 locations x \$1,680) was used for this proposal in 2006.

In response to other signage proposals from this year, MoDOT has used an estimated cost of \$2,200 for two signs at a location. Therefore, **Oversight** will assume a cost from this amendment of \$116,600 (53 locations x \$2,200).

### Senate Amendment 5 - creates the "Armed Forces Expeditionary Medal";

In response to a similar proposal from this year (HB 906), officials from the **Department of Revenue (DOR)** stated that the number of eligible applicants is unknown. However, for each 100 specialty plate applications received, there will be an increase in revenue each year from the \$15 specialty plate fee of \$1,500 that would be distributed 75% to highway fund, 15% to cities, and 10% to counties. 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 for application, plate set-up, postage, envelope, notification, and plate costs.

FISCAL IMPACT - State Government                      FY 2010                      FY 2011                      FY 2012  
 (10 Mo.)

**GENERAL REVENUE**

Cost - Department of Revenue -  
 Processing costs for specialty plates  
 (Senate Amendment 5)                      (Unknown -  
 Less than  
\$100,000)                      (Unknown -  
 Less than  
\$100,000)                      (Unknown -  
 Less than  
\$100,000)

**ESTIMATED NET EFFECT TO THE  
 GENERAL REVENUE FUND**

(Unknown -  
 less than  
 \$100,000)                      (Unknown -  
 less than  
 \$100,000)                      (Unknown -  
 less than  
 \$100,000)

**ROAD FUND**

Costs - Department of Transportation  
 Senate Amendment 4 - requires signs  
 at roads crossing the 38<sup>th</sup> parallel                      (\$116,600)                      \$0                      \$0

Income - Specialty Plate Fees (Senate  
 Amendment 5)                      Unknown - Less  
 than \$100,000                      Unknown - Less  
 than \$100,000                      Unknown - Less  
 than \$100,000

**ESTIMATED NET EFFECT TO  
 ROAD FUNDS**

(Less than  
 \$116,600)                      Unknown - less  
 than \$100,000                      Unknown - less  
 than \$100,000



<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - Counties - Specialty plate fees (Senate Amendment 5)	Unknown - Less than \$100,000	Unknown - Less than \$100,000	Unknown - Less than \$100,000
<u>Income</u> - Cities - Specialty plate fees (Senate Amendment 5)	Unknown - Less <u>than \$100,000</u>	Unknown - Less <u>than \$100,000</u>	Unknown - Less <u>than \$100,000</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>Unknown - Less than <u>\$100,000</u></b>	<b>Unknown - Less than <u>\$100,000</u></b>	<b>Unknown - Less than <u>\$100,000</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Senate Amendment 4 requires the state Highways and Transportation Commission to erect signs commemorating the Korean War at every state road or state highway that crosses or intersects the thirty-eighth parallel.

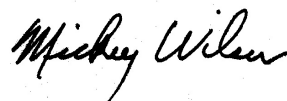
Senate Amendment 5 allows for a special license plate designated "Armed Forces Expeditionary Medal" for any person who has been awarded this military service award.

To obtain this plate, a person must make application, furnish proof as a recipient of the Armed Forces Expeditionary Medal, and pay a \$15 fee to the Department of Revenue in addition to the registration fee and any other documents required by law.

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

Missouri Veterans Commission  
Office of the Adjutant General  
Department of Higher Education  
Office of the Secretary of State  
Department of Revenue  
Office of Administration  
Office of the State Courts Administrator  
Department of Social Services  
Department of Insurance, Financial Institutions and Professional Registration  
Office of the Attorney General  
Department of Transportation  
University of Missouri  
Linn State Technical College  
University of Central Missouri  
Missouri Western State University  
Missouri State University  
Missouri Southern State University



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