

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1350-10  
Bill No.: Truly Agreed To and Finally Passed CCS for SCS for HCS for HB 427  
Subject: Boards, Commissions, Committees, Councils; Family Law; Funeral and Funeral Directors; Liability; Licenses - Motor Vehicle; Military Affairs; Veterans  
Type: Original  
Date: May 29, 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 Fund	Unknown - less than \$100,000	Unknown - less than \$100,000	Unknown - less than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Unknown - less than \$100,000</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 12 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>

## 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 **Department of Social Services** assume the proposal would not impact their agency.

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

In response to a previous version of this proposal, officials from the **University of Missouri (UM)** stated the proposal will not fiscally impact their school. 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.

### Section 41.150 - Assistant Adjutants General;

Officials from the **Office of the Adjutant General (OTAG)** assume 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.

ASSUMPTION (continued)

**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:

Officials from the **Department of Higher Education (DHE)** state the substantive change in this bill that would affect higher education is the addition of § 173.1155, which provides that dependents of certain members of the military shall be deemed as domiciled in Missouri for purposes of determining whether a student may receive in-state tuition at a public institution of higher education.

The DHE predicts that this addition will have minimal fiscal impact. DHE regulations already provide, "For the purposes of student resident status, military personnel, when stationed within the state of Missouri pursuant to military orders, their spouses and unemancipated minor children shall be regarded as holding Missouri resident status" (6 CSR 10-3.010).

The language in the bill is slightly more expansive than that in the regulation, but the fiscal impact will likely be very minimal.

ASSUMPTION (continued)

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

In response to a similar proposal from this year (HB 666), the following agencies and schools (**Linn State Technical College, University of Central Missouri, Missouri Western State University, and Missouri State University**) each responded that 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;

Officials from the **Missouri Department of Transportation (MoDOT)** assume the proposal would not fiscally impact their agency.

In response to a similar proposal from this year (SB 110), officials at MoDOT assumed the 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;

Officials from the **Missouri Department of Transportation (MoDOT)** assume the proposal would not fiscally impact their agency.

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

ASSUMPTION (continued)

giving a total of \$2,200 for two signs. The department will not fabricate the signs until payment is received.

Section 301.3157 - Armed Forces Expeditionary Medal;

Officials from the **Department of Revenue (DOR)** state 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.

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.

ASSUMPTION (continued)

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.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Department of Revenue - Processing costs for specialty plates (Section 301.3157)	(Unknown - Less than <u>\$100,000</u> )	(Unknown - Less than <u>\$100,000</u> )	(Unknown - Less than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(Unknown - less than \$100,000)</u></b>	<b><u>(Unknown - less than \$100,000)</u></b>	<b><u>(Unknown - less than \$100,000)</u></b>

**ROAD FUNDS**

<u>Income</u> - Specialty Plate Fees (Section 301.3157)	Unknown - Less than \$100,000	Unknown - Less than \$100,000	Unknown - Less than \$100,000
<b>ESTIMATED NET EFFECT TO ROAD FUNDS</b>	<b><u>Unknown - less than \$100,000</u></b>	<b><u>Unknown - less than \$100,000</u></b>	<b><u>Unknown - less than \$100,000</u></b>

<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 (Section 301.3157)	Unknown - Less than \$100,000	Unknown - Less than \$100,000	Unknown - Less than \$100,000
<u>Income</u> - Cities - Specialty plate fees (Section 301.3157)	Unknown - Less than \$100,000	Unknown - Less than \$100,000	Unknown - Less than \$100,000
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Unknown - Less than \$100,000</u></b>	<b><u>Unknown - Less than \$100,000</u></b>	<b><u>Unknown - Less than \$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

This bill changes the laws regarding members of the military, veterans, and their families. In its main provisions, the bill:

- (1) Designates May 1 of each year as "Silver Star Families of America Day" to honor the wounded soldiers of this state and the efforts of the Silver Star Families of America to honor the wounded members of the United States armed forces;
- (2) Allows the Adjutant General to assign the number of assistant adjutants general that are authorized by the rules and regulations of the National Guard Bureau of the United States. The assistants are required, if they qualify, to hold military rank as may be authorized and approved for the positions by the bureau. Currently, the Adjutant General may only assign two assistants;
- (3) Increases the membership of the Missouri Veterans' Commission from five to nine. Two members will be from the House of Representatives, one chosen by the Speaker and one by the Minority Floor Leader; and two members from the Senate, one chosen by the President Pro Tem and one by the Minority Floor Leader. Members appointed from the General Assembly will serve a two-year term;
- (4) Authorizes the commission to establish rules and regulations necessary for the management and administration of its veteran service programs and cemeteries;
- (5) Revises the educational grant program for survivors of war veterans by specifying who is a qualifying military member and who is a combat veteran;
- (6) Requires a dependent of a military member, as defined in federal law, who is residing in Missouri and whose parent is assigned to permanent duty in the state to be eligible for in-state tuition as long as he or she is continuously enrolled in an undergraduate or graduate degree program of a Missouri higher education institution including any transfers from one Missouri institution to another or from an undergraduate to a graduate degree program. Currently, eligibility for in-state tuition as a military dependent is subject to administrative regulation and institutional policy;

FISCAL DESCRIPTION (continued)

(7) Allows the unclaimed cremated remains of a veteran to be collected by a veterans' service organization for the purpose of interment if the remains have been in possession of a funeral establishment for at least one year and the funeral establishment has given written notice to the person who is entitled to the remains and that person has not claimed the remains within the specified time frame. If the address of the person entitled to the remains cannot be reasonably ascertained, notice must be given in a newspaper of general circulation in the county of the veteran's residence. If the veteran's residence is unknown, notice must be given in the county where the veteran died or, if the death location is unknown, in the county in which the funeral establishment is located. If the remains are not claimed within 30 days of the written notice or within four months of the date of the first newspaper publication, the remains may be given to a veterans' service organization for interment. A veterans' service organization is not liable for simple negligence if it interments and does not scatter the cremated remains but must take all reasonable steps to inter the remains in a veterans' cemetery;

(8) Establishes an interstate interchange designation program to be known as the Heroes Way Interstate Interchange Designation Program to honor fallen Missouri heroes who have been killed in action while in active military duty in Afghanistan or Iraq on or after September 11, 2001, and who were residents of this state at the time of their death. Relatives, within the second degree of consanguinity of the member who was killed, may apply to the Department of Transportation for a designation. The application process is specified, and the Highways and Transportation Commission is authorized to establish a fee to cover, but not exceed, the costs of constructing and maintaining the signs;

(9) Designates the portion of the Poplar Bluff bypass located in Butler County from State Highway 60 where it crosses over the Black River to State Highway 67 where it crosses State Route M as the "Veterans Memorial Highway";

(10) Authorizes the Department of Revenue to provide one set of "PURPLE HEART" specialized license plates free of charge other than the regular registration fees to any person who has been awarded the medal. Any additional set of special license plates may be obtained at the current fee for specialized plates;

(11) 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;

FISCAL DESCRIPTION (continued)

(12) Allows a veteran displaying a Congressional Medal of Honor, Prisoner of War, Silver Star, or PURPLE HEART special license plate to park his or her motor vehicle if it is less than 6,000 pounds gross weight without charge in a metered parking space. A veteran who has been awarded the Bronze Star may apply to the Director of the Department of Revenue for a windshield placard which will allow him or her to also park without charge in a metered parking space if the placard is hung from the front, middle rearview mirror or displayed on the dashboard on the driver's side if there is no rearview mirror. Certain vehicle and parking restrictions are specified; and before these provisions are allowed, they must also be approved by the local governing body; and

(13) Requires all court orders regarding child custody or visitation issued or modified while either party is in active military service and deployed out-of-state to be temporary in nature unless the party in active service knowingly and voluntarily signs a waiver to the right to have the hearing upon his or her return. Upon return from deployment, the party will be given an opportunity to be heard on the child custody and visitation order before a permanent order is entered.

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  
Department of Social Services  
Office of the Attorney General  
Department of Transportation  
University of Missouri  
Linn State Technical College  
University of Central Missouri

L.R. No. 1350-10

Bill No. Truly Agreed To and Finally Passed CCS for SCS for HCS for HB 427

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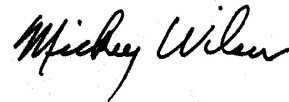
May 29, 2009

SOURCES OF INFORMATION (continued)

Missouri Western State University

Missouri State University

Missouri Southern State University

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

Mickey Wilson, CPA

Director

May 29, 2009