

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4430-12
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SS for SCS for SB 470
Subject: Motor Carriers; Transportation; Transportation Dept.; Roads and Highways
Type: Original
Date: June 8, 2012

Bill Summary: The proposal modifies various provisions relating to the regulation of household movers and modifies the law regarding the issuance of temporary permit tags.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Unknown)	\$28,536 to (Unknown)	\$28,536 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	\$28,536 to (Unknown)	\$28,536 to (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 32 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Highway Fund	\$0	(\$749,361 or \$2,248,082)	(\$749,361 or \$2,248,082)
Environmental Radiation Monitoring	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
Road Bond	(Unknown)	(Unknown)	(Unknown)
State Road	(Unknown)	(Unknown)	(Unknown)
State Transportation	(Unknown)	(Unknown)	(Unknown)
Conservation Commission	(Less than \$100,000) to (Unknown)	(Less than \$100,000) to (Unknown)	(Less than \$100,000) to (Unknown)
Parks, and Soil and Water	(Less than \$100,000) to (Unknown)	(Less than \$100,000) to (Unknown)	(Less than \$100,000) to (Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(More than \$100,000) to (Unknown)	(More than \$100,000) to (Unknown)	(More than \$100,000) to (Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Sections 387.040, 387.050, 387.080, 390.116, 387.139, 387.207, 390.051, 390.061, 390.051, 390.054 & 390.280 - Household Goods Movers

Officials from the **Department of Transportation, Department of Labor and Industrial Relations, Department of Revenue and Administrative Hearing Commission** assume there will be no fiscal impact to their agencies.

Section 142.932 - Dyed Fuel

Officials from the **Office of the State Public Defender, Office of the State Courts Administrator, Department of Corrections, Department of Agriculture, Office of Prosecution Services, Department of Revenue and Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Transportation** concur with Department of Revenue regarding any possible fiscal impact from this legislation.

Section 144.030.2(4) - Sales Tax Exemption for Certain Vehicles

This proposal would provide an expanded sales tax exemption for commercial motor vehicles licensed for a weight in excess of 54,000 pounds and used for hauling property, for trailers for those vehicles, and for materials, replacement parts, and equipment for use directly upon and for the repair and maintenance or manufacture of such vehicles. The sales tax exemption would also be applied to commercial motor vehicles licensed for a weight in excess of 24,000 pounds but not already exempt as common carriers.

Vehicle exemption

DOR informed BAP that in FY 2011 there were 2,370 new vehicles registered that meet the size limits above. Sales tax in the amount of \$2.1 million was collected on those vehicles. BAP assumes this proposal would reduce state revenues by similar amounts.

ASSUMPTION (continued)

Equipment Exemption

According to the Federal Motor Carrier Safety Administration , there are just less than 11 million "large trucks" registered in the United States which travel an estimate 288,005 million miles annually. BAP assumes that 2% of these truck-miles are traveled in Missouri. Based on industry information, BAP estimates the repair and maintenance cost for large trucks to be about \$0.14/mile. BAP further estimates that half this cost is labor-related, and thus no sales tax is collected.

BAP also assumes this exemption would apply largely to vehicles not already exempt as "common carriers". Based on an estimate from DOR, BAP assumes 12% of trucks are not common carriers. Therefore, this proposal could reduce General and Total State Revenues up to the amounts in the table below.

Vehicle Miles Traveled by Large Trucks	288,055,000,000
Missouri Share	2%
Missouri Miles	5,761,100,000
Cost / Mile	\$0.07
Total Cost	\$403,277,000
Portion Not Already Exempt	12%
Cost Not Already Exempt	\$48,393,240
Revenue Losses	
General Revenue (3%)	\$1,451,797
Education (1%)	\$483,932
Conservation (0.125%)	\$60,492
Natural Resources (0.1%)	\$48,393

Officials from the **Department of Natural Resources (DNR)** assume this proposal would create a sales tax exemption for motor vehicles registered in excess of 54,000 pounds, and the trailers pulled by such motor vehicles that are actually used in the normal course of business to haul property on public highways, and that are capable of hauling loads commensurate with the motor vehicle's registered weight. Additionally, also exempted are the materials, replacement parts, and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of such vehicles.

Adding additional sales tax exemptions would decrease the amount of funding available in the Parks & Soils Sales Tax Funds. These funds have been used for the acquisition and development,

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ASSUMPTION (continued)

maintenance and operation of state parks and historic sites and to assist agricultural landowners through voluntary programs.

The Department's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, any additional sales tax exemption would be an unknown loss to the Parks and Soils Sales Tax Funds.

Section 260.392 - Transporting Radioactive Materials

This provision would exempt certain controlled shipments from paying fees into the Environmental Radiation Monitoring Fund and undergoing certain inspections.

This section would reduce state revenues.

Officials from the **Department of Natural Resources (DNR)** assume the proposed changes to Sections 260.392.1(3) and 260.392.2 would revise the fees for all Highway Route Controlled Quantity (HRCQ) radioactive shipments from the current per "cask" fee to a per "truck" fee. The current revenues collected on HRCQ radioactive shipments are projected to account for approximately 69% of the total revenues to the Environmental Radiation Monitoring Fund (Fund 0656). This revision would reduce revenues by approximately \$160,568. All HRCQ shipments over the past two fiscal years originated in Canada with final destinations outside of Missouri. A majority of shipments (3 out of 4) are being sent to out of state ports for foreign export (China, Mexico, Malaysia, etc.). The fee currently supports functions allowed by the statute such as escorts and ensuring security of shipments by the Missouri State Highway Patrol, safety and radiation measurement and inspections by the Missouri Department of Health and Senior Services, equipment purchased to ensure radiation safety of the public, and training to first responders across the state that would respond to an accident involving these radioactive shipments. Currently, most of these functions are related to or conducted on HRCQ shipments. None of these services that help protect the citizens of Missouri would be supported without collection of this fee. Additionally, if shipping HRCQ through Missouri becomes preferred due to a financial advantage, more shipments may be expected for Missouri's highway system increasing wear and tear on the road system and increase the probability of an accident.

If these shipments were transported via the rail system, no fees would be collected under the current statute.

ASSUMPTION (continued)

To meet the staffing needs from this proposal the department would use existing FTE. The department would restructure the duties to the FTE to implement the requirements of this legislation. For purposes of this fiscal note, the costs for the FTE are charged to the Environmental Radiation Monitoring Fund which is a shift from the General Revenue Fund and Federal Funds. Therefore, a corresponding savings is shown to the General Revenue and Federal Funds.

County and local emergency responders would receive training, equipment and supplies as funds are available from this proposal.”

Revision of a per cask to a per truck basis for fees is anticipated to result in reduced revenues of approximately \$160,568. This is calculated based on an anticipated 40 shipments per year and average historic miles per shipment with no anticipation of increased High-level shipments in FY14-FY15.

The fee currently supports functions allowed by the statute such as escorts and ensuring security of shipments by the Missouri State Highway Patrol, safety and radiation measurement and inspections by the Missouri Department of Health and Senior Services, equipment purchased to ensure radiation safety of the public, and training to first responders across the state that would respond to an accident involving these radioactive shipments. Currently, most of these functions are related to or conducted on HRCQ shipments. To date, the ERMF has paid a total of approximately \$30,443.11 to the Missouri State Highway Patrol (MHP) and \$36,427.74 to DHSS for escorts and inspections in FY11 and FY12. The revenues from this fund also allowed the MHP to upgrade radiation detection equipment at weigh stations along routes used for radioactive shipments. This equipment cost approximately \$100,000. Reducing these fees may result in a reduction of future services that help protect the citizens of Missouri.

Without per cask fees on HRCQ shipments, there would be insufficient funding to provide these services. The impact due to the loss of these services could be expected to increase in future years when the fund balance is no longer sufficient to pay for any of these services, even the most critical. In order to continue to provide the necessary services, the department assumes other funding would be required. Absent an identified funding source, the department assumes General Revenue funding would be requested.

Officials from the **Department of Health and Senior Services (DOH)** assume this proposal could cause a decrease in revenue into the Environmental Radiation Monitoring Fund from fees collected for shipments. Other funding sources would need to be identified to support DOH staff performing the required objectives if revenues decrease below the level of DOH appropriation.

ASSUMPTION (continued)

Currently the program costs are supported by the Environmental Radiation Monitoring Fund. In Fiscal Year 2012 to date, DOH has incurred expenses of \$36,783 of which a majority covered the cost of inspections and approximately \$5,000 was spent on developing training. DOH estimates that costs for personal services, training, and equipment costs for future fiscal years will increase to an estimated \$100,000 as shipments increase and required training of state and local emergency responders and health officials begins. A significant decrease in revenue into the Environmental Radiation Monitoring Fund from fees collected, General Revenue would be required to support DOH staff performing the required objectives.

Officials from the **Department of Revenue (DOR)** assume there will be no fiscal impact to their agency.

Section 301.010.(48) - Recreational Off-Highway Vehicles

Officials from the **Department of Natural Resources (DNR)** assume there would be no fiscal impact to their agency from these provisions of the proposal.

Officials from the **Department of Revenue (DOR)** assume there will be no fiscal impact to their agency.

Section 301.140 - Temporary Permit Tags

Officials from the **Department of Revenue (DOR)** may implement this legislation in two different ways. The first option is to continue to produce and distribute the new weather resistant, non-tearing temporary permits to motor vehicle dealers and license offices and build a database for law enforcement to query from. If the Department implements this proposal without a vendor the cost for temporary permits will increase from \$.07 per permit to a potential range from \$1 to \$5. This would require a new decision item for General Revenue Funds of \$371,683 to \$1,970,319. The second option is the DOR could authorize a vendor to carry out this function; however, the Department would still need to build a database to allow law enforcement access to this information.

With Vendor

If the DOR would contract with a vendor to produce temporary permits the vendor would sell temporary permits to dealers for not more than \$5 per permit. The vendor would retain all revenue from the sale of these permits. The dealer would then sell these permits to purchasers

ASSUMPTION (continued)

for \$5 per permit and retain all revenue from those sales. The vendor would sell temporary permits to the license office for no more than \$5 per permit.

The vendor would retain all revenue from the sale of these permits. The license offices would then sell these permits to customers at \$5 per permit and retain all revenue from those sales.

Based on 61,403 temporary permits issued by the license offices during FY 11, the license offices may have to pay in excess of \$307,015 in temporary permit inventory. Today, they pay nothing for this inventory.

The Department (central office only) would sell temporary permits to applicants for no more than \$5 per permit. Revenue received due to the sale of temporary permits by the Department (central office) will be considered state revenue. As such, those funds would be distributed as they are today: \$5 to the highway fund.

As the Department would no longer be required to produce and distribute temporary permits to license offices and dealers, this will result in a cost reduction for producing the temporary permits. It currently cost the DOR \$0.0714 to produce one temporary permit from the current contractor. In FY 2011, the Department produced and issued 399,659 temporary permits. By not having to produce temporary permits will result in a cost reduction of \$28,536 in FY14 and \$28,536 in FY15.

In FY 11 the Department sold 399,659 temporary permits at \$7.50 each and collected \$2,997,443. Of those 399,659 temporary permits only 336 were sold by the central office. This proposal changes the distribution of funds for the remaining 399,323 temporary permits sold by motor vehicle dealers and license offices. As a result \$2,994,923 will no longer constitute state revenue annually and the collections will be retained by these entities; permits sold directly by the Department to purchasers will continue to be distributed to the highway funds.

The distribution of the loss of a total of \$2,994,923 from the sales of temporary permits by both dealers and the license offices is shown below:

	<u>FY 14</u>	<u>FY 15</u>
\$5.00 - Highway Fund	(\$1,996,615)	(\$1,996,615)
\$2.50 - 75% Highway Fund	(\$ 748,731)	(\$ 748,731)
15% Cities	(\$ 149,746)	(\$ 149,746)
10% Counties	(\$ 99,831)	(\$ 99,831)

ASSUMPTION (continued)

As the Department will charge \$1 to \$5, rather than the current \$7.50, for the issuance of temporary permits out of the central office, there will be a loss of \$2.50 to \$6.50 for each temporary permit sold. In FY11 there were 336 temporary permits sold out of the central office; this will result in a loss of \$840 to \$2,184 as shown below:

	<u>FY 14</u>	<u>FY 15</u>
75% Highway Fund	(\$630 to \$1,638)	(\$630 to \$1,638)
15% Cities	(\$126 to \$328)	(\$126 to \$328)
10% Counties	(\$84 to \$218)	(\$84 to \$218)

Without Vendor

If the Department implements this proposal without a vendor, the cost for temporary permits will increase from \$.07 per permit to a potential range from \$1 to \$5. This would require a new decision item for general revenue funds of \$371,683 to \$1,970,319.

The Department would only charge the amount incurred for the cost of the temporary permit to be produced which can range from \$1 to \$5. The money generated from the sale will be distributed to highway funds and can range from \$399,659 to \$1,998,295. In FY11 \$2,747,656 was distributed to the highway fund as a result of temporary permit sales. In FY11 \$249,787 was distributed to cities and counties as a result of temporary permit sales.

This will result in a loss of revenue because the current cost of a temporary permit is \$7.50; therefore there will be a loss ranging from \$2.50 to \$6.50 per permit.

The loss in revenue will impact the following funds annually:

Highway Fund - (\$749,361) to (\$2,347,997)
Cities - (\$149,872)
Counties - (\$99,915)

Since Department of Revenue may implement this legislation in two different ways, **Oversight** will range the cost to the DOR as: \$0 (up to \$1,998,295). As a result, the loss to the Highway Fund will be ranged as: (\$749,361 or \$2,248,082) and the loss to the Cities and Counties as: (\$249,787 or \$749,360).

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR) - Motor Vehicle Bureau (MVB)** state procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182, the Dealer Operating Manual will need to be revised requiring 40 hours of overtime at a cost of \$1,182, the Missouri Titling Manual will need to be revised requiring 40 hours of overtime at a cost of \$1,182 and the Department's web site will need to be revised requiring 10 hours of overtime for an Administrative Analyst I, at a cost of \$319.

In summary, DOR assumes a cost of \$2,683 ($\$1,182 + \$1,182 + \319) in FY 2013 to provide for the implementation of the changes in this section.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal in this section.

The Department's response to a similar proposal in prior years would have indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's motor vehicle legacy systems, changes cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact for Section 301.140 is estimated with a level of effort valued at \$15,900 to \$63,600.

Revenue Impact for Section 301.140.9

Officials from the **Department of Revenue (DOR)** assume the expiration would match an existing or newly issued plate expiration and thus would expire annually or biennially, however, it has been determined that only \$7.50 would be charged for annual or biennial registrations, i.e. the fee would not increase to \$15 for a biennial registration.

Based on the assumption of 1,000 applicants annually will obtain the additional temporary plate there will be an increase in revenue of \$7,500 annually that would be distributed the same as temporary permits currently are.

The DOR has determined the expiration of these temporary license plates would match the existing registration due to the volatility of a temporary plate similar in material as the current temporary permits issued by the Department, these is the potential for several replacement temporary plates that would need to be obtained by the applicant through the registration period. This would result in an additional unknown increase from the \$7.50 replacement fee that is to be charged for each replacement temporary plate.

ASSUMPTION (continued)

Section 301.147 - Biennial Registration Option for Larger Vehicles

Officials from the **Department of Revenue (DOR)** state this section of the proposal would expand the number of commercial motor vehicle owners who will have the option of biennially registering their commercial motor vehicle. Would provide an option to owners of motor vehicles other than commercial motor vehicles that are licensed between 12,000 pounds and 54,000 pounds to biennially register their commercial motor vehicle.

Per section D, the provisions of 301.147 become effective July 1, 2015 and are therefore beyond the scope of this fiscal note. However MVB will incur costs in FY15 associated with implementation of this proposal by July 1, 2015.

The Department assumes there will be an increase in revenue to the highway fund, cities and counties in FY2015 only, due to the biennial registration option being made available to these commercial motor vehicles. Revenue will return to normal in the remaining fiscal years.

Officials from the DOR state procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182 in FY15. The Department's web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY15.

In summary, DOR assumes a cost of \$1,501 ($\$1,182 + \319) in FY 2013 to provide for the implementation of the changes in this section.

The Department's response to a similar proposal in prior years would have indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's motor vehicle legacy systems, changes cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact for Section 301.147 is estimated with a level of effort valued at \$75,260.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

ASSUMPTION (continued)

Section 301.580 - Special Event Motor Vehicle Auction License

Officials from the **Department of Revenue (DOR)** assume procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Department will need to develop an application for special event motor vehicle auction license and a form to report all vehicles included in the auction. These forms will be in electronic format. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182.

The Department web site will need to be updated to include information for the special event motor vehicle auction license. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319.

In summary, DOR assumes a cost of \$2,683 (\$1,182 + \$1,182 + \$319) in FY 2013 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal.

There will be an unknown increase to the Motor Vehicle Commission Fund due to the \$1,000 special event motor vehicle auction license fee. There could also be an unknown increase to the Motor Vehicle Commission Fund from the \$500 administrative fee for every vehicle auctioned in violation of subsection 6.

Oversight assumes the revenue increase to the Motor Vehicle Commission Fund from this Section would be Unknown to less than \$100,000. Oversight will range the income to the Motor Vehicle Commission Fund as Unknown to less than \$100,000.

Section 302.185 & 302.188 - Veteran Designation on Driver License

Officials from the **Department of Public Safety - Missouri Highway Patrol** and **Department of Public Safety - Missouri Veterans Commission** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Revenue - Driver License Bureau (DLB)** estimate the proposed changes will require modification of procedures and forms related to driver license or

ASSUMPTION (continued)

nondriver license applications. It will also require development and testing changes required to add veteran indicator processing within the Missouri Electronic Driver License system, coordination with card vendor to develop a design for format and placement of the indicator on the Missouri driver or nondriver license and modification to the Department's web site to add information related to the availability, criteria and cost of the proposed indicator.

FY 13 – Driver License Bureau

Administrative Analyst -	240 hrs @ \$24 (1 ½) per hr =	\$ 5,760
Management Analyst Specialist II -	320 hrs @ \$23 per hr =	\$ 7,360
Revenue Band Manager -	40 hrs @ \$30 per hr =	<u>\$ 1,200</u>
	Total	\$14,320

FY 13 - Personnel Services Bureau

Administrative Analyst III	10 hrs @ \$22 per hr =	\$ 220
2 Management Analysis Specialist I -	80 hrs @ \$20 per hr =	<u>\$1,600</u>
	Total	\$1,820

Officials from the **Department of Revenue - Information Technology - OA-ITSD (DOR)** state the Department's response to a proposal similar to or identical to this one in a previous session indicated the department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's driver license legacy systems, changes cannot be made without significant impact to the Department's resources and budget.

OA-ITSD (DOR) state the proposal will require a new indicator in issuance transaction, Missouri Drivers License System (MODL) and L1 databases, new entry routine and edits for new indicator and a new symbol on licenses. It will also require modification of the Missouri Electronic Drivers License (MEDL), Central Driver Information and system (CDIS) and MODL screens.

ASSUMPTION (continued)

FY13 - Information Technology

1 MODL Programmer	240 hrs @ \$26.50 per hr =	\$6,360
1 L1 Contractor	140 hrs @ \$200 per hr =	\$28,000
1 OTC Contractor	80 hrs @ \$100 per hr =	<u>\$ 8,000</u>
	Total	\$42,360

In summary, DOR assumes a cost of \$42,360 (\$6,360+ \$8,000 + \$28,000) in FY 2013 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the personal service cost related to this proposal. Oversight assumes some of DOR's anticipated work hours could be performed during the normal work day and not create an additional expense to their budget.

Section 302.341 - Failure to Appear in Court

Officials from the **Department of Revenue - Driver License Bureau (DLB)** assume this section proposes changes to meet federal commercial driver license requirements related to failure to appear in court actions. The proposed change indicates these actions cannot be removed from the record upon reinstatement if the applicant was operating a commercial motor vehicle at the time of the offense or is a commercial driver license holder.

DOR states administrative impact for Section 302.341 include modifying the Missouri Driver License system and supporting applications related to failure to appear actions and complete end user testing of all changes.

DLB estimates 80 hours of modifying the applications for one Administrative Analyst (at \$24 per hour or \$1,920) and 80 hours of end user testing of changes (at \$23 per hour or \$1,840). In summary, DOR assumes a cost of \$3,760 (\$1,920 + \$1,840) in FY 2013 to provide for implementation of the changes in this part of the proposal.

DLB estimates 10 hours to update the web page for one Administrative Analyst III (at \$22 per hour or \$220), 40 hours updating forms by a Management Analyst Spec I (at \$20 per hour or \$800) and 40 hours updating procedures by a Management Analysis Spec I (at \$20 per hour or \$880). IN summary, DOR assumes a cost of \$1,820 (\$220 + \$800 + \$800) in FY 2013 to provide updating of changes in this part of the proposal.

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ASSUMPTION (continued)

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal. However, should the extent of the work be more than anticipated, the department could request additional appropriation and/or FTE through the budget process.

Section 302.700 and 302.768 - Uniform Commercial Driver's License Act & CDL Medical Certification Compliance

Officials from the **Department of Transportation** state the enactment of these changes to Missouri's CDL statutes will be necessary to bring this State into compliance with the Federal mandate prescribed by 49 USC Section 31311 (a) (1) and (21), Section 31309 (e) (4) and Section 31305 (a) (7); and 49 CFR Section 383.73 and Section 384.301.

If not enacted, Missouri's federal-aid highway funds are subject to withholding in the amounts of \$30 million the first fiscal year and \$60 million the second year and thereafter.

Oversight assumes Missouri will be in compliance with the mandated provisions and will assign no cost for sanctions.

Officials from the **Department of Revenue** state this proposes a new section to support the implementation of Federal Motor Carrier Safety Regulation changes defined in a finalized federal rule affecting 49 CFR Parts 383, 384, 390 and 391 labeled "Medical Certification Requirements as part of the CDL". This section requires commercial driver license applications to complete certain self certifications and submit required medical certification documents when applicable. The state must capture and store data related to drivers who are required to submit proof of medical certification. These certifications must be updated at least every two years based on federal requirements. The state must store and pass this data to law enforcement, commercial motor vehicle enforcement and other states.

DOR assumes the cost associated with development and implementation of the proposed medical certification program will be absorbed as part of a pending system upgrade project. The Department will continue to seek federal funds to notify Commercial Drivers of the new requirements; however, if federal funding is not provided, DOR will require the following state funds in order to notify the 300,000 drivers:

ASSUMPTION (continued)

FY 14

Printing Cost (per 1,000)	300 @ .076 =	\$22.80
Letters	300,000 @ .025 =	\$7,500.00
Envelopes	300,000 @ .04 =	\$12,000.00
Postage	300,000 @ .45 =	<u>\$135,000.00</u>
	Total =	\$154,522.80

DOR stated they have been approved for a federal grant to implement the new federal requirements; however, DOR stated they cannot use the grant monies for notification. Therefore, **Oversight** assumes that DOR is not required by this proposal to notify a licensee of this new federal licensing requirement. The notification upon license renewal could be an option.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal. However, should the extent of the work be more than anticipated, the department could request additional appropriation and/or FTE through the budget process.

Section 304.022 - Move Over Law

Officials from the **Department of Transportation, Department of Revenue, Department of Public Safety, Office of the State Courts Administrator, Office of Prosecution Services, Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Corrections** each assume the proposal will have no fiscal impact on their respective organizations.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** state that while the number of new cases may be too few or uncertain to request additional funding for this specific proposal, 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.

ASSUMPTION (continued)

Section 304.033.1 - Recreational Off-Highway Vehicles

Officials from the **Department of Revenue (DOR)** assume this section would permit persons to operate a vehicle defined as a "recreational off-highway vehicle" under section 301.010 (48) on public highways for certain purposes and under certain circumstances, i.e., within three miles of an operator's primary residence; by handicapped persons; by government entities for official use; and agricultural purposes or industrial on-site purposes (during daylight hours). Under subsection 3, such vehicle deemed to be a "motor vehicle" when operated on public street or highway for Chapter 303 minimum financial responsibility or liability insurance purposes.

Officials from the DOR assume this change will require the department to complete system modifications, update office procedures and train personnel. This will require 40 hours of system testing on overtime for one Administrative Analyst I, at a cost of \$960.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personnel service cost related to this proposal.

Section 304.120 & 537.293 - Use of Municipal Streets

Officials from the **City of Kansas City, Department of Transportation, Department of Revenue** and **Office of the State Courts Administrator** each assume the current proposal would not fiscally impact their respective agencies.

Section 304.180 - Gross Weight Limitation for Certain Vehicles

Officials from the **Department of Agriculture** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Transportation (MoDOT)** state this proposal modifies laws relating to weight limitations for milk haulers. This bill would increase the weight for commercial motor vehicles that carry milk on Missouri's highways and bridge system which would result in additional maintenance work and costs. Under current law, all bridges are load rated for 80,000 lbs. This bill would require the department to re-evaluate load limits on many of the state's bridges. The increased allowable weights would result in increased damage to bridges.

ASSUMPTION (continued)

Additionally, it would reduce the life expectancy of some of MoDOT's bridges. There is really no good way to quantify this issue in terms of a dollar amount.

The increased allowable weights will result in an increase in the number of MoDOT's bridges requiring postings for legal loads. It is estimated that the number of MoDOT bridges requiring some type of posting would increase by 20%. Posting signs would have to be installed at these locations, so there would be a cost associated with this. An unknown number of existing postings signs would require updating.

MoDOT assumes an annual cost relating to this proposal of more than \$100,000 to the Road Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Savings</u> - Temporary Paper Permits no longer used (Section 301.140)	\$0	\$28,536	\$28,536
<u>Cost</u> - Temporary license plate permit cost to DOR without third party vendor (Section 301.140)	\$0	\$0 or (up to \$1,998,295)	\$0 or (up to \$1,998,295)
<u>Cost</u> - IT changes (Section 301.140)	(\$15,900 to \$63,600)	\$0	\$0
<u>Revenue Reduction</u> - Sales tax exemption on commercial vehicle parts (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$15,900 to \$63,600)</u>	<u>\$28,536 (up to \$1,969,759)</u>	<u>\$28,536 (up to \$1,969,759)</u>
HIGHWAY FUND			
Loss -Change in fee from \$7.50 to \$5.00 (Section 301.140)	<u>\$0</u>	<u>(\$749,361 or \$2,248,082)</u>	<u>(\$749,361 or \$2,248,082)</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$0</u>	<u>(\$749,361 or \$2,248,082)</u>	<u>(\$749,361 or \$2,248,082)</u>
ENVIRONMENTAL RADIATION MONITORING FUND			
<u>Revenue reduction</u> - Transport fee elimination (Section 260.392)	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
ESTIMATED NET EFFECT ON ENVIRONMENTAL RADIATION MONITORING FUND	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
ROAD BOND FUND			
<u>Revenue reduction</u> - Sales tax exemption on vehicles (Section 140.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON ROAD BOND FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
STATE ROAD FUND			
<u>Revenue reduction</u> - Sales tax exemption on vehicles (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
STATE TRANSPORTATION FUND			
<u>Revenue reduction</u> - Sales tax exemption on vehicles (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON STATE TRANSPORTATION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
SCHOOL DISTRICT TRUST FUND			
<u>Revenue reduction</u> - Sales tax exemption on vehicles (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Revenue reduction - Sales tax exemption on commercial vehicle parts (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
CONSERVATION COMMISSION FUND			
<u>Revenue reduction</u> - Sales tax exemption on vehicles (Section 144.030)	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
<u>Revenue reduction</u> - Sales tax exemption on commercial vehicle parts (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Less than \$100,000) to (Unknown)</u>	<u>(Less than \$100,000) to (Unknown)</u>	<u>(Less than \$100,000) to (Unknown)</u>
PARKS, AND SOIL AND WATER FUND			
<u>Revenue reduction</u> - Sales tax exemption on vehicles (Section 144.030)	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
<u>Revenue reduction</u> - Sales tax exemption on commercial vehicle parts (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON PARKS, AND SOIL AND WATER FUND	<u>(Less than \$100,000) to (Unknown)</u>	<u>(Less than \$100,000) to (Unknown)</u>	<u>(Less than \$100,000) to (Unknown)</u>

FISCAL IMPACT - Local Government	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL POLITICAL SUBDIVISIONS			
Loss -Change in fee from \$7.50 to \$5.00 (Section 301.140)	\$0	(\$249,787 or \$749,360)	(\$249,787 or \$749,360)
Revenue reduction - Sales tax exemption on vehicles (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Revenue reduction - Sales tax exemption on commercial vehicle parts (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

This proposal would affect any small business which bought or sold a commercial vehicle or repair parts, or would be involved in the transportation of nuclear waste.

Section 301.140

License offices and dealers would have to purchase temporary permits from the third party vendor for no more than \$5 per permit. The license offices then sell those permits to citizens at \$5 per permit and retain all revenue generated from such sales.

FISCAL DESCRIPTION

This act modifies various provisions relating to transportation.

DYED FUEL - Current law prohibits the operation of a motor vehicle with dyed fuel on a public highway except in certain circumstances. This act creates an additional exception for vehicles associated with a public utility or rural electric cooperative engaged in the restoration of utility service during a state of emergency (Section 142.932).

DESCRIPTION (continued)

TRANSPORTING RADIOACTIVE MATERIALS - This act modifies the method in which fees assessed for the transporting radioactive waste are calculated. Under current law, a fee of \$1,800 is charged for each cask transported through or within the state by truck of high-level radioactive waste, transuranic radioactive waste, spent nuclear fuel or highway route controlled quantity shipments. In addition, all such cask shipments are subject to a surcharge of \$25 per mile for every mile over 200 miles traveled within the state. Under this proposal, the fees are assessed per truck rather than per cask.

BIENNIAL REGISTRATION OPTION FOR LARGER VEHICLES - This act expands the number of commercial motor vehicle owners who will have the option of biennially registering their commercial motor vehicle. Under current law, the director may provide owners of motor vehicles, other than commercial motor vehicles licensed in excess of 12,000 pounds gross weight, the option of biennially registering motor vehicles. This act provides this option to owners of motor vehicles, other than commercial motor vehicles licensed in excess of 54,000 pounds (Section 301.147). The provision has an effective date of July 1, 2015.

FAILURE TO APPEAR IN COURT - Under current law, if a person fails to timely dispose of a traffic ticket, the court will notify the Director of Revenue of such fact and the director will suspend the offender's driver's license until the person settles the matter by paying the fines and applicable court costs. Upon proof of disposition of the charges, and payment of a reinstatement fee, the director will return the license and remove the suspension from the person's driver's record. This act modifies this provision so that a commercial motor vehicle operator or a holder of a commercial driver's license will not be eligible to have such a suspension removed from his or her driving record (Section 302.341).

UNIFORM COMMERCIAL DRIVER'S LICENSE ACT - This act adds new definitions to Uniform Commercial Driver's License Act (Sections 302.700 to 302.780) and makes modifications to current definitions relating to commercial driver license requirements to comply with Federal Motor Carrier Safety regulations and support the implementation of the federal rule labeled "Medical Certification Requirements as part of the CDL". The act revises the definition section by adding the following terms:

- 1) CDLIS driver record;
- 2) CDLIS motor vehicle record;
- 3) Commercial driver's license downgrade;

DESCRIPTION (continued)

- 4) Driver applicant;
- 5) Employee;
- 6) Endorsement;
- 7) Foreign;
- 8) Medical examiner;
- 9) Medical variance (Section 302.700).

CDL MEDICAL CERTIFICATION COMPLIANCE - This act implements a Federal Motor Carrier Safety Regulation known as "Medical Certification Requirements as part of the CDL". This act requires commercial driver license applicants to complete certain self certifications and submit required medical examiner certification documents when applicable. The act specifies the certification process. Applicants certifying to the operation in nonexcepted interstate or nonexcepted intrastate commerce must provide the state with an original or copy of a current medical examiners certificate. The state is required to maintained such documents for a period of 3 years beyond the date the certificate was issued. The act requires applicants to provide updated medical certificates or variance documents in order to maintain commercial motor vehicle driving privileges. The director must post the medical examiners certificate information to the driver record within 10 calendar days of receipt and the information will become part of the CDLIS driver record. Under the act, any person who falsifies any information in an application for or an update of medical certification status information shall not be licensed to operate a commercial vehicle or the person's commercial driver's license must be canceled for a period of one year after the director discovers the falsification.

The CDL medical certification compliance sections (Sections 302.700 and 302.768) shall become effective on the date the director begins accepting commercial driver license medical certifications or on May 1, 2013, whichever occurs first.

MOVE OVER LAW - This act amends Missouri's move over law so that drivers of motor vehicles approaching stationary emergency vehicles or vehicles owned by the commission and operated by Department of Transportation employees displaying amber or amber and white lights shall proceed with caution by making a lane change away from the stationary vehicle, if possible. The act further modifies the definition of "emergency vehicle" to include any vehicle owned by

DESCRIPTION (continued)

the commission and operated by a Department of Transportation employee that is marked as an emergency response or motorist assistance vehicle (Section 304.022).

USE OF MUNICIPAL STREETS - Under current law, municipalities may enact ordinances that limit the use of certain designated streets to passenger vehicles. This act modifies this authorization by requiring municipalities to allow at least one route, with lawful traffic movement and access from both directions, to be available for use by commercial motor vehicles to access any roads in the state highway system. No municipality may pass an ordinance that denies the use of commercial motor vehicles on all routes within the municipality.

KANSAS CITY COMMERCIAL ZONE - This act expands the Kansas City commercial zone by including the stretch of State Route 45 from its intersection with Interstate 29 to the city limits of Iatan..

HOUSEHOLD GOODS MOVERS - This act modifies provisions relating to the regulation of household goods movers..

Under the terms of this act, household goods movers will no longer have to file their schedule of rates, fares and charges with the state highways and transportation commission. A household goods mover must maintain and publish its schedules of rates, fares, rules, and charges in its stations and offices. Such rates shall be available for inspection by the commission, shippers, and the public (Sections 387.040 and 387.050).

This act prohibits household goods movers from participating in joint tariffs. The act allows joint tariffs relating to the transportation of household goods over through routes or in interline service involving two or more separate motor carriers. Carriers of household goods participating in through routes or interline service shall publish joint tariffs or individual tariffs for each participating carrier (no longer have to file joint tariffs with the commission). In addition, household goods movers will no longer be required to file sworn copies of every contract with other motor carriers with the commission (Sections 387.080 and 390.116).

Under current law, household goods carriers are prohibited from using schedules of rates that divide the state into territorial rate areas. This act removes this restriction (Section 387.110). Under the terms of this act, the commission no longer has the authority to fix rates with reference to the transportation of household goods. Rates published by household goods movers are presumed to prima facie lawful (Section 387.207).

DESCRIPTION (continued)

Under this act, all rate orders issued by the commission affecting the transportation of household goods, to the extent such rate orders prescribe any minimum or maximum rates for the transportation of such goods, shall be vacated. Other provisions contained in the rate orders unrelated to prescribing maximum or minimum rates shall not be vacated (Section 387.355). The act eliminates the requirement that household goods carriers or non charter passenger carriers demonstrate that their proposed service will serve a useful present or future public purpose when applying for a certificate of authority or permit. Concomitantly, applicants for household goods or passenger certificates or permits will not have to satisfy the public convenience and necessity test when proposing a new service, an extension of existing service, or a transfer of authority. An applicant for a household goods or passenger certificate of authority or permit will have to show that they are fit, willing, and able to perform the service, and that they will conform to other standards established by law.

Under this act, the commission shall not restrict any certificate or permit authorizing the transportation of household goods or passengers with reference to any route or routes (Sections 390.051 and 390.061).

Under this act, any geographic restriction or provision limiting a household goods carrier's scope of authority to particular routes within this state contained in a certificate or permit, or both, which was issued prior to August 28, 2012, and any similar provision contained in a carrier's tariff schedule filed prior to such date, shall be deemed void. In lieu of the geographic restrictions expressed in such certificates, permits, or tariff schedules, a motor carrier shall be authorized to provide intrastate transportation of household goods between all points and destinations within the state until such time the certificates, permits, and tariff schedules are reissued or amended to reflect the motor carrier's statewide operating authority (Section 390.280).

Beginning August 28, 2012, no certificate of authority or permit shall be issued or renewed unless the applicant demonstrates that the applicant has workers' compensation insurance coverage that complies with Missouri law for all its employees. If any household goods carrier is found by the division of workers' compensation to be out of compliance with the workers' compensation law, the division shall report such fact to the state Highways and Transportation Commission. The commission shall suspend the household goods carrier's certificate or permit until such time the carrier demonstrates that it has procured workers' compensation insurance coverage (Section 390.054).

This act requires the commission to establish consumer protection requirements for motor carriers transporting household goods in intrastate commerce (Section 387.137). This act requires the Division of Motor Carriers to develop a complaint process. The complaint process

DESCRIPTION (continued)

shall keep a record for each complaint and shall record findings made at each step of the complaint process, provide an explanation for a complaint dismissal, and provide other information (Section 387.139).

Under this act, the state highways and transportation commission is authorized to enter into interagency agreements with the Regional Taxicab Commission to deal with any public safety issues that may arise as a result of the act's deregulation provisions (Sections 390.051 and 390.061).

TEMPORARY PERMIT TAGS - This act modifies the process for issuing temporary permits to motor vehicle owners. Under the terms of the act, the director of revenue is authorized to allow others to produce weather resistant, nontearing temporary permits that allow buyers of motor vehicle or trailers to operate such vehicles for a 30 day period. The temporary permit may be purchased by the motor vehicle buyer from the central office or from an authorized agent of the department. A motor vehicle buyer may also purchase a temporary permit from a motor vehicle dealer. The price paid by a registered dealer for a temporary permit shall not exceed \$5.00 per permit (current law sets the amount at \$7.50). The director shall direct motor vehicle dealers and authorized agents to obtain temporary permits from an authorized producer. Under the act, amounts received by the director for temporary permits shall constitute state revenue while amounts received by an authorized producer shall not constitute state revenue. Amounts received by motor vehicle dealers or authorized agents for temporary permits purchased from an authorized producer shall not constitute state revenue. The act specifically provides that general revenue funds or other state funds shall not be used to compensate motor vehicle dealers and other producers for their role in producing temporary permits. Dealers may not charge more than \$5.00 for each permit it issues (down from \$7.50). Under the act, each temporary permit issued shall be fastened to the rear of the motor vehicle in a manner and place on the motor vehicle consistent with placement of regular registration plates. The act allows the director to reissue and extend the use of a temporary permit during the time period a title and registration are being obtained. Under the terms of the act, upon the issuance of a temporary permit, the director shall make the temporary permit information immediately available to the law enforcement community of the state of Missouri (Section 301.140). This portion of the act becomes effective the date the department begins issuing the new temporary permits or July 1, 2013, whichever occurs first. The act also sunsets the temporary permit provisions on July 1, 2019.

MISSOURI AUTO INSURANCE PLAN - This act amends Missouri Auto Insurance Plan (Missouri's automobile insurance residual market mechanism) law so that insurance companies that opt-out from servicing their share of high risk drivers shall be assessed a fee based on the insurance company's market share. The act requires the plan to contract with an entity to accept

DESCRIPTION (continued)

and service policies for companies that do not elect to accept and service policies. By October 1 of each year, companies that elect to accept applicants for policies for the next calendar year must notify the plan. Companies that do not elect to service applicants and policies shall pay a fee to the plan for providing such services. The fee shall be based on the company's market share (Section 303.200).

SALES TAX EXEMPTION FOR CERTAIN VEHICLES - This act provides a sales tax exemption for motor vehicles registered in excess of 54,000 pounds, and the trailers pulled by such motor vehicles, that are actually used in the normal course of business to haul property on the public highways of the state, and that are capable of hauling loads commensurate with the motor vehicle's registered weight. The sales tax exemption also extends to the materials, replacement parts, and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of such vehicles (Section 144.030.1(4)).

RECREATIONAL OFF-HIGHWAY VEHICLES - This act modifies the definition of recreational off-highway vehicle as found in Section 301.010. The act modifies the definition by increasing the width and weight limit of the vehicle. The width of a recreational off-highway vehicle is increased from 60 inches to 64 inches and the unladen dry weight of the vehicle is increased from 1,850 pounds to 2000 pounds (Section 301.010).

Under the act, recreational off-highway vehicles shall not be operated on highways except for:

- (1) Governmental owned and operated recreational off-highway vehicles for official use;
- (2) Recreational off-highway vehicles operated for agricultural purposes or industrial on-premise purposes;
- (3) Recreational off-highway vehicles operated within three miles of the operator's primary residence. This exception shall not authorize the operation in a municipality unless the municipality authorizes the operation by permit;
- (4) Recreational off-highway vehicles operated occasionally by handicapped persons for short distances only on the state secondary roads;
- (5) Governing bodies of cities may issue special permits to licensed drivers for special uses of recreational off-highway vehicles on highways within the city limits. Fees of \$15 may be collected and retained by cities for such permits;

DESCRIPTION (continued)

(6) Governing bodies of counties may issue special permits to licensed drivers for special uses of recreational off-highway vehicles on county roads within the county. Fees of \$15 may be collected and retained by the counties for such permits.

No person shall operate a recreational off-highway vehicle within any stream or river except by an operator who owns the property or has permission to be on the property on which the waterway flows through or when fording a low-water crossing.

A person operating a recreational off-highway vehicle on a highway shall have a valid operator's or chauffeur's license.

Under the terms of the act, an individual shall not operate a recreational off-highway vehicle upon on a highway in this state without displaying a lighted headlamp and a lighted tail lamp. A person may not operate a recreational off-highway vehicle upon a highway of this state unless such person wears a seat belt. When operated on a highway, a recreational off-highway vehicle shall be equipped with a roll bar or roll cage construction to reduce the risk of injury to an occupant of the vehicle in case of the vehicle's rollover.

ADDITIONAL THIRD LICENSE PLATE - This act allows motorists to purchase an additional temporary license plate that matches an existing or newly issued plate to serve as a visible plate when a bicycle rack or other item obstructs the view of the actual plate. The fee for the additional temporary license plate shall be \$7.50. The third plate may only be used on the vehicle with the matching plate, and the additional third plate must be clearly recognizable as a third plate and only used for such purposes.

SPECIAL EVENT MOTOR VEHICLE AUCTION LICENSE - This act allows the Department of Revenue to issue a special event motor vehicle auction license to an applicant for the purpose of auctioning motor vehicles if 90% or more of the vehicles are at least 10 years old or older. Licensees shall auction no more than 3% of the total number of vehicles presented for auction which are owned and titled in the name of the licensee or its owners. Auctions can be held for no more than three consecutive days, but no more than 3 times in a calendar year by the same licensee. A report must be sent to the director within 10 days of the conclusion of the special event motor vehicle auction on a department-approved form specifying the make, model, year, and vehicle identification number of every vehicle included in the auction. Anyone violating this provision will be guilty of a Class A misdemeanor and will be charged a \$500 administrative fee payable to the department for each vehicle auctioned in violation of this provision. A special event motor vehicle auction will be considered a public motor vehicle auction for purposes of

DESCRIPTION (continued)

licensing and inspection of certain documents and odometer readings; however, the licensee will not be required to have a bona fide established place of business. Applications to hold a special event motor vehicle auction must be received by the department at least 90 days prior to the event. Applicants must be registered to conduct business in this state, pay a licensing fee of \$1,000, and be bonded or have an irrevocable letter of credit in the amount of \$100,000. Applicants will be responsible for ensuring that a sales tax license or special event sales tax license is obtained if required.

VETERAN DESIGNATION ON DRIVER LICENSE - The allows a person to apply to the Department of Revenue to obtain a veteran designation on a driver's license or identification card upon providing a United States Department of Defense discharge document, known as a DD Form 214, showing a discharge status of "honorable" or "general under honorable conditions" and the payment of the authorized fees for the license or card. The department may determine the appropriate placement of the designation on a license or card (Section 302.185 and section 302.188).

GROSS WEIGHT LIMITATION FOR CERTAIN VEHICLES - Under current law, the total gross weight of a vehicle or combination of vehicles hauling livestock 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 cannot exceed 85,500 pounds. This act expands the gross weight limitation on U.S. Highway 36 eastward from U.S. Highway 65 to U.S. Highway 63. The act further applies the gross weight limitation exception to U.S. Highway 63, from the Iowa state line to U.S. Highway 36, and from U.S. Highway 36 to Missouri Route 17.

The act further allows a vehicle weighing 85,500 pounds or less to haul milk from a farm to a processing facility on highways other than the interstate highway system. This provision of the act shall not apply to vehicles operated on the Dwight D. Eisenhower System of Interstate and Defense Highways.

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

L.R. No. 4430-12

Bill No. Truly Agreed To and Finally Passed CCS for HCS for SS for SCS for SB 470

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June 8, 2012

SOURCES OF INFORMATION

Department of Transportation

Department of Labor and Industrial Relations

Administrative Hearing Commission

Department of Revenue

Office of State Public Defender

Office of State Courts Administrator

Department of Corrections

Department of Agriculture

Office of Prosecution Services

Department of Public Safety -

Missouri Highway Patrol

Department of Natural Resources

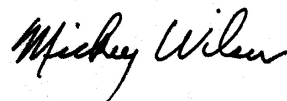
Missouri Veteran's Commission

Department of Insurance, Financial Institutions &

Professional Registration

City of Kansas City

Department of Health & Senior Services



Mickey Wilson, CPA

Director

June 8, 2012

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