

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4472-13
Bill No.: Truly Agreed To and Finally Passed CCS for HCS #2 for SCS for SB 480
Subject: Motor Vehicles; Motor Carriers; Taxation and Revenue - Sales and Use
Type: Original
Date: June 18, 2012

Bill Summary: This proposal would make changes to current provisions on road and bridge taxes, sales and use tax exemptions, and registration of outboard motors and off-road vehicles. In addition, the proposal would modify provisions regarding drivers licenses, commercial drivers licenses, and repeat alcohol-related offender drivers license requirements. Finally, the proposal would modify current nuclear waste transport fee provisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 29 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Environmental Radiation Monitoring	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
Road Bond	(Unknown)	(Unknown)	(Unknown)
State Road	Less than \$100,000 to (Unknown)	Less than \$100,000 to (Unknown)	Less than \$100,000 to (Unknown)
State Transportation	(Unknown)	(Unknown)	(Unknown)
School District Trust	(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)
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	More than \$100,000 to (Unknown)	More than \$100,000 to (Unknown)	More than \$100,000 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

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 Secretary of State's Office 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)

Officials from the **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization in excess of existing resources.

Officials from the **Office of State Courts Administrator**, the **Department of Corrections**, the **Department of Insurance, Financial Institutions, and Professional Registration**, the **Missouri Highway Patrol**, the **Office of Prosecution Services**, the **Office of State Public Defender**, and the **Department of Mental Health** assume this proposal would have no fiscal impact to their organizations.

Officials from the **Jefferson City Police Department** assume this proposal would have no fiscal impact on their organization.

Officials from **Linn State Technical College**, the **Metropolitan Community College**, **Missouri Western State University**, **Northwest Missouri State University**, and the **University of Central Missouri**, assume this proposal would have no fiscal impact on their organizations.

Officials from the **Metropolitan St. Louis Sewer District** assume this proposal would have no fiscal impact on their organization.

Officials from the **Department of Transportation** (MODOT) concurred with the Department of Revenue for an estimate of the fiscal impact of the expanded sales tax exemption in Section 144.030 RSMo.

MODOT officials also stated that the enactment of the proposed changes to Missouri's CDL statutes are necessary to bring Missouri law into compliance with the Federal mandate in 49 USC Section 31311 (a) (1) and (21), Sections 31305 (a) (7) and 31309 (e) (4), and 49 CFR 383.73 and Section 384.301.

If the proposed language is not enacted, federal-aid highway funds for Missouri would be subject to withholding of \$30 million the first fiscal year and \$60 million each subsequent year.

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

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services** (DHSS) noted that the nuclear waste transport fee provisions would reduce fee revenue for the Environmental Radiation Monitoring Fund. DHSS officials deferred to the Department of Natural Resources for an estimate of the reduction.

DHSS officials also stated that costs for this program are supported by the Environmental Radiation Monitoring Fund, and that for FY 2012 to date, DHSS had incurred expenses of \$36,783. DHSS officials further stated that a majority of this cost was for inspections, but approximately \$5,500 was spent on developing training. DHSS officials assume that costs for personal services, training, and equipment for future fiscal years would increase to an estimated \$100,000 as shipments increase and required training programs for state and local emergency responders and health officials are implemented.

Officials from the **Department of Natural Resources** (DNR) assume this proposal would make changes to several tax provisions.

Section 144.030 RSMo - Sales Tax Exemption

This proposal would create a sales tax exemption for motor vehicles registered in excess of 54,000 pounds, for the trailers pulled by such motor vehicles, for materials, replacement parts, and equipment purchased for use directly upon such vehicles, and for the repair and maintenance or manufacture of such vehicles.

Providing state and local sales and use tax exemptions as stated in this proposal would decrease the amount of funding available in the Parks Sales Tax Fund. This fund is used for the acquisition and development, maintenance and operation of state parks and historic sites.

Section 260.392 RSMo - Radioactive Waste Transport Fee

The proposed changes would change the fees for Highway Route Controlled Quantity (HRCQ) radioactive shipments from the current "per cask" fee to a "per truck" fee. Revenues from the current fee are projected to account for approximately 69% of revenues in the Environmental Radiation Monitoring Fund (Fund 0656). The revision would reduce these fees an estimated \$160,568.

ASSUMPTION (continued)

The fee currently supports functions such as Missouri State Highway Patrol escorts for such vehicles, safety and radiation measurement and inspections by the Missouri Department of Health and Senior Services, equipment purchased to ensure radiation safety for the public, and training to first responders across the state that would respond to an accident involving those radioactive shipments.

Currently, most of those functions are related to or conducted on HRCQ shipments, and the services that help protect the citizens of Missouri are supported by the transport fees.

Oversight will include a revenue reduction of more than \$100,000 per year for the Environmental Radiation Monitoring Fund for changes to radioactive material transport fees. Oversight assumes that continued operation and funding for the current inspection and escort functions would be determined by the General Assembly and will not include those costs in this fiscal note.

Officials from the **Department of Conservation** (MDC) assume this proposal would expand the sales and use tax exemption for certain vehicles. MDC officials assume that expanding the sales tax exemption would have a negative fiscal impact that is unknown, but assumed to be greater than \$100,000. MDC officials assumed the Department of Revenue would be better able to estimate the anticipated fiscal impact from this proposal.

Bi-State Fare Provisions

These provisions would require persons convicted of failing to pay a fare for the use of Bi-State Development Agency facilities to reimburse the reasonable costs attributable to the enforcement, investigation and prosecution of such.

Officials from the **Bi-State Development Agency** (Bi-State) assume the revenue received would neutralize the cost attributable to the enforcement, investigation, and prosecution of offenses and create a favorable financial impact.

In response to a similar proposal in the previous session (HB 857 LR 200-01) officials **from St. Louis County** assumed the proposal would have no fiscal impact to their organization.

Officials from the **City of St. Louis** did not respond to our request for information.

ASSUMPTION (continued)

Oversight assumes that additional revenues received from unpaid fares, fines, and fees to the Bi-State Development Agency would be offset by the costs of collection to the agency. For fiscal note purposes, unknown offsetting revenues and expenditures will be indicated for local governments.

Officials from the **Office of Administration, Division of Budget and Planning** (BAP) assume this proposal would not result in additional costs or savings to their organization. BAP officials also noted the following.

Section 144.030(4)

This proposal would provide an additional sales tax exemption for:

- * motor vehicles in excess of 54,000 pounds used for hauling property and their trailers,
- * materials, replacement parts, and equipment for use directly upon and for the repair and maintenance or manufacture of such vehicles, and
- * motor vehicles in excess of 24,000 pounds not already exempt as common carriers

Motor Vehicle Exemption

The Department of Revenue (DOR) reported to BAP that in FY 2011, 2,370 qualifying new vehicles were registered. 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.

Equipment Exemption

According to the Federal Motor Carrier Safety Administration , there are just less than 11 million "large trucks" registered in the US, which travel an estimate 288,005 million miles annually. BAP estimates that 2% of these truck-miles would be traveled in Missouri. Based on industry information, BAP estimated the repair and maintenance cost for large trucks to be about \$0.14 per mile. BAP further estimates that half this cost is labor-related, and no sales tax is collected on labor. BAP assumes this exemption would apply largely to vehicles not already exempt as "common carriers". Based on an estimate from DOR, BAP assumed 12% of trucks are not registered to common carriers. Therefore, this proposal may reduce general and total state revenues up to the amounts in the table below.

ASSUMPTION (continued)

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

Section 260.392

Would exempt certain controlled shipments from paying fees into the environmental radiation monitoring fund and undergoing certain inspections. BAP officials stated that this would reduce state revenues, but did not provide an estimate of that revenue reduction.

Section 301.010

Would change the definition of recreational off-road vehicle. Because of overlap with the definition of "ATV", this may result in the loss of certain registration fees and reduced general and Total State Revenues. BAP deferred to DOR for a more detailed discussion.

Sections 301.3161, 301.4036, and 301.4040

Would modify or create various specialty plates. These provisions would increase Total State Revenues by the amount collected from the sales of the plates. Additionally, this may increase administrative costs for DOR. BAP deferred to DOR for a more detailed discussion.

Sections 302.060, 302.304, 302.309, and 302.525

Would allow a person who is convicted of driving while intoxicated to have an ignition interlock device installed in their vehicle instead of having their license suspended. This proposal may increase administrative costs for the Department of Revenue. BAP deferred to DOR for costs to the department.

ASSUMPTION (continued)

Sections 302.341, 302.700, 302.768, and 577.023

Would prohibit failure to appear in court actions from being removed from the record of an individual applying for reinstatement if the applicant was operating a commercial motor vehicle at the time of the offense or if the applicant is a commercial driver license holder. Would also require an individual applying for a commercial driver license to complete certain self-certifications and submit medical certification documents. These changes are required to bring the state into compliance with a federal mandate. This proposal may increase administrative costs for the Department of Revenue. BAP deferred to DOR for costs to the department.

Officials from the **Department of Revenue** (DOR) assume this proposal includes several changes in sales tax provisions.

Section 144.030

The proposal would broaden a current sales tax exemption to include motor vehicles registered in excess of fifty-four thousand pounds, for the trailers pulled by such motor vehicles, and for the materials, replacement parts, and equipment purchased for use directly upon, and for the repair and maintenance, or manufacture of such vehicles. The vehicles must actually be used in the normal course of business to haul property on the public highways of the state, and be capable of hauling loads commensurate with the motor vehicles registered weight.

Administrative impact

Procedures would need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182 in FY 2013, and the Department's web site would need to be updated requiring 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY 2013.

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

ASSUMPTION (continued)

Revenue impact

DOR officials stated that in FY 2011, 2,370 vehicles were registered for weight in excess of 54,000 pounds, and DOR collected \$2.1 million in sales and use taxes on those vehicles. DOR officials assume Total State Revenue would be reduced by a similar amount if this provision is enacted. The majority of these funds are paid to state road and transportation funds, and cities and counties.

DOR officials also estimated an additional reduction of approximately \$1.4 million to General Revenue related to the parts and materials used to repair or provide maintenance on the vehicles. DOR officials were not able to identify the number of trailers that would qualify for the exemption, and assume there would be an unknown loss to Total State Revenue related to trailers.

Oversight notes that current law provides for 50% of state vehicle sales taxes to be distributed to the Road Bond Fund, 36.5% to the State Road Fund, 1% to the State Transportation Fund, and 12.5% to cities and counties. For fiscal note purposes, Oversight assumes the expanded vehicle sales tax exemption would lead to an unknown revenue reduction for those state funds and for local governments.

Oversight assumes the expanded vehicle sales tax exemption in this proposal would reduce revenues to the School District Trust Fund by an unknown amount, and that the revenue reduction to the Conservation Commission Fund and the Parks, and Soil and Water Fund, would be less than \$100,000 per year.

Oversight will indicate an unknown revenue reduction to the General Revenue Fund, for those other state funds which receive sales tax revenues, and to local governments for the sales tax exemption on commercial vehicle repair parts.

Specialty License Plates

Would modify existing language pertaining to the "Cass County-The Burnt District" special personalized license plates and would authorize additional personalized license plates for the National Wild Turkey Foundation, American Red Cross, and the National Rifle Association.

ASSUMPTION (continued)

Administrative Impact

“Cass County - The Burnt District” The change in the appearance of the plate would be considered a new design graphic as the design graphic of the plate is changing. The new design set-up includes passenger plates, RV plates, 6,000/18,000 lb truck plates, motorcycle plates, and disabled plates at a new set-up cost of \$215. The only administrative impact is a one-time fee that would be charged upon passage of this bill in FY 2013.

In addition, DOR officials provided an estimate of the administrative cost to implement all of the new personalized license plates.

- * Procedures would need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182 in FY 2013.
- * The Application for Missouri Personalized and Specialty License Plates (DOR-1716) would need to be revised to include a new plate type. This would require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182 in FY 2013.
- * The Department's web site would need to be updated to include the new plate type. This would require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY 2013.
- * The Department would incur 20 overtime hours for a Revenue Processing Tech II to work with the organization on the design of the plate and finalizing the design at a cost of \$411 in FY 2013.
- * The Department would incur 20 overtime hours for a Revenue Processing Tech II to set up the new specialty plate within MVB systems and testing at a cost of \$411 in FY 2013.

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

ASSUMPTION (continued)

IT Impact

The IT portion of the fiscal impact for all specialty plates contained within this proposal is \$1,908 based on 72 hours of programming time at \$26.50 per hour.

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

Plate Set-up, Manufacturing, and Mailing

DOR officials estimated that the total cost for the set-up, printing, and mailing of the Cass County personalized license plate would be \$2,638 in FY 2013, \$4,816 in FY 2014, and \$6,564 in FY 2015.

Oversight assumes the set-up, manufacturing, and mailing would not constitute a significant increase in DOR cost for the Cass County personalized license plate since the proposal is for a redesign of an existing plate.

DOR officials estimated the total cost for the set-up, printing, and mailing of the National Wild Turkey Federation personalized license plate would be \$2,638 in FY 2013, \$4,816 in FY 2014, and \$6,564 in FY 2015.

DOR officials estimated the total cost for the set-up, printing, and mailing of the American Red Cross personalized license plate would be \$1,562 in FY 2013, \$1,656 in FY 2014, and \$1,697 in FY 2015.

DOR officials estimated the total cost for the set-up, printing, and mailing of the National Rifle Association personalized license plate would be \$1,562 in FY 2013, \$1,656 in FY 2014, and \$1,697 in FY 2015.

Revenue Impact

DOR officials assume there would be no revenue impact for the revision to the Cass County personalized license plates since the proposal only provided for a redesign of the plate. DOR estimates for the other plates are as follows.

ASSUMPTION (continued)

National Wild Turkey Federation

DOR officials stated that there are 12,000 active adult members of the federation in the state of Missouri and assumed that 3% (360) would wish to obtain the plate in FY 2013 for an increase in revenue of $(\$25 \times 360) = \$9,000$. Further, DOR officials assumed that 5% (582) of the remaining 11,640 eligible applicants would apply for the plates in FY 2014 resulting in an increase in revenue of $(\$25 \times 582) = \$14,550$ and 7% (774) of the remaining 11,058 members would apply in FY 2015 there would be a increase in revenue of $(\$25 \times 774) = \$19,350$ that is constitutionally distributed as follows:

Recipient	Allocation	FY 2013 (Ten months)	FY 2014	FY 2015
Highway	75%	\$5,625	\$10,912	\$14,512
Cities	15%	\$1,125	\$2,183	\$2,903
Counties	10%	\$750	\$1,455	\$1,935
Total	100%	\$7,500	\$14,550	\$19,350

American Red Cross

DOR officials stated that the number of applicants who would wish to obtain this plate is unknown. However, for each 200 specialty personalized plate applications received, there would be an increase in revenue each year of \$5,000 as a result of the \$25 specialty plate fee that is constitutionally distributed as follows:

Recipient	Allocation	FY 2013 (Ten months)	FY 2014	FY 2015
Highway	75%	\$3,125	\$3,750	\$3,750
Cities	15%	\$625	\$750	\$750
Counties	10%	\$417	\$500	\$500
Total	100%	\$4,167	\$5,000	\$5,000

ASSUMPTION (continued)

National Rifle Association

DOR officials stated that the number of applicants who would wish to obtain this plate is unknown. However, for each 200 specialty personalized plate applications received, there would be an increase in revenue each year of \$5,000 as a result of the \$25 specialty plate fee that is constitutionally distributed as follows:

Recipient	Allocation	FY 2013 (Ten months)	FY 2014	FY 2015
Highway	75%	\$3,125	\$3,750	\$3,750
Cities	15%	\$625	\$750	\$750
Counties	10%	\$417	\$500	\$500
Total	100%	\$4,167	\$5,000	\$5,000

Since it is unknown how many plate applications will be received for these additional personalized plates, for fiscal note purposes only, **Oversight** assumes additional revenue to the Highway Fund and to local governments would be Less than \$100,000. Oversight also assumes cost to the General Revenue Fund from the manufacturing process would be Less than \$100,000.

Ignition Interlock Devices for Intoxicated Driving Offenders

Section 302.060.2 would require an ignition interlock device (IID) for drivers license reinstatement and for limited driving privileges, with photo identification technology and global positioning system features, and also provides standards for the removal of the IID or extension of time when an IID is required.

ASSUMPTION (continued)

Administrative Impact

The Driver License Bureau would require programming and testing of the Missouri Driver Licensing (MODL) system to:

- * ensure the required IID is installed for reinstatement on a 5-year or 10-year alcohol denial,
- * create a database to receive files from the IID manufacturer for the monthly calibration reports and evaluate the information to determine any violations,
- * allow various types of IID violations to be added in MODL and extend the IID requirement for an additional six months following reinstatement;
- * change MODL to generate a notice when the IID requirement has been extended due to violations received from the manufacturer, and
- * change MODL generated notices.

The Drivers License Bureau would also require updates to procedures, correspondence letters, and the department's web site, would require staff training, and would require a review of administrative rules for possible revisions.

FY 2014 - Testing IID Reinstatement Changes

Administrative Analyst I - 80 hours @ \$24 (1 ½) per hour =	\$1,920
Management Analyst Spec II - 80 hours @ \$23 per hour =	\$1,840
Revenue Band Manager I - 20 hours @ \$25 per hour =	<u>\$500</u>
Total =	<u>\$4,260</u>
Update web page - Administrative Analyst III - 10 hrs @ \$22 =	\$220
Update forms - Management Analysis Spec I - 40 hrs @ \$20 =	\$800
Update procedures - Management Analysis Spec I - 40 hrs @ \$20 =	<u>\$800</u>
Total =	<u>\$1,820</u>

ASSUMPTION (continued)

Sections 302.060, 302.304, and 302.525 would require the Department to develop a database to accept and store IID violations received from the manufacturers' monthly monitoring reports, extend the Restricted Driving Privileges (RDP) period, or extend the IID requirement following reinstatement. The costs associated with the database requirement are indicated below.

FY 2014 - MODL and Database Testing

Administrative Analyst I - 320 hours @ \$24 (1 ½) per hour =	\$7,680
Management Analyst Spec II - 320 hours @ \$23 per hour =	\$7,360
Revenue Band Manager I - 160 hours @ \$25 per hour =	<u>\$4,000</u>
Total =	<u>\$19,040</u>

A report from MODL shows 73,294 individuals who are currently suspended, revoked, or denied a license and would require the ignition interlock for reinstatement. DOR officials assume the law would apply to all of those individuals. DOR officials would need to send notifications of these changes to those affected by them.

Cost for forms - 73,294 @ .025 =	\$1,832
Cost for envelopes - 73,294 @ .04 =	\$2,932
Cost for postage - 73,294 @ .45 =	<u>\$32,982</u>
Total =	<u>\$37,746</u>

Oversight assumes the required forms would be updates to current forms and the issuance of those forms would not result in significant additional cost to DOR.

DOR officials assume additional employees would be required to answer phone calls, prepare correspondence, and assist in-person customers. A report from MODL shows 73,294 individuals who are currently suspended, revoked, or denied and require the ignition interlock device for reinstatement. Additionally, there are 43,028 persons who received an alcohol-related suspension in calendar year 2011, who may be eligible to obtain the IID after 15-days and receive a 75-day Restricted Driving Privilege license.

Although the number of contacts is unknown, based on discussions with other states that currently have laws for first offenders and for persons who violate the IID, each person required to have IID could potentially contact the Department numerous times because of multiple violations. DOR officials assume that a person would contact the department at least two times per year.

ASSUMPTION (continued)

DOR officials provided a calculation of potential contacts, and indicated that five additional employees would be needed to handle the additional contacts. DOR officials also stated that more than five additional employees could be required to enforce the provisions in this section, which additional employees would be requested through the budget process.

Oversight assumes that the number of additional contacts to DOR and thus the number of additional employees is unknown but could be minimal and will not include additional employees in this fiscal note. When and if additional employees are determined to be needed, those resources could be requested through the budget process.

IT impact

DOR officials provided an estimate of the IT portion of the cost to implement this proposal of \$55,120 based on 2,080 hours of programming to DOR systems.

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

Driving Privilege Restrictions for Intoxicated Driving Offenders

Section 302.304 provides for a mandatory and uniform time period for suspension and for restricted driving privileges, and defines circumstances in which restricted driving privileges shall be terminated or a license may be reinstated.

DOR officials stated that these provisions would require programming and testing of the Missouri Driver License (MODL) system to implement these standards, and would require DOR to develop a database to accept, store, and evaluate violations received on the monthly monitoring reports.

ASSUMPTION (continued)

Administrative Impact

DOR officials assume the Driver License Bureau would require programming and testing of the MODL system, create a database to receive files from the IID manufacturer for the monthly calibration reports and evaluate the information to determine any violations, allow various types of IID violations to be added in MODL and extend the RDP requirement as needed, change MODL to generate an additional RDP notice when the RDP has been extended due to violations received from the manufacturer; and change MODL generated notices.

DOR officials assume these provisions would also require a review of administrative rules for possible revisions, updates to their procedures, correspondence letters, the department's web site; and the Missouri Driver Guide, and training of staff.

FY 2014 - Testing RDP Changes

*	Administrative Analyst I - 80 hours @ \$24 (1 ½) per hour =	\$1,920
*	Management Analyst Spec II - 80 hours @ \$23 per hour =	\$1,840
*	Revenue Band Manager I - 20 hours @ \$25 per hour =	\$500
	Total =	<u>\$4,260</u>
*	Update web page - Administrative Analyst III - 10 hrs @ \$22 =	\$220
*	Update forms - Management Analysis Spec I - 40 hrs @ \$20 =	\$800
*	Update procedures - Management Analysis Spec I - 40 hrs @ \$20 =	<u>\$800</u>
	Total =	<u>\$1,820</u>

Additional costs for this section as it pertains to creation of a database to store IID violations received from the manufacturers are included in the Administrative Impact for Section 302.060.

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

ASSUMPTION (continued)

Commercial Drivers License Provisions

Section 302.341 would make changes to current provisions to meet federal commercial driver license requirements related to failure to appear in court actions.

Administrative Impact

DOR officials stated that the Driver License Bureau would require system modifications regarding the changes to Failure to Appear Suspension requirement, and the Driver License Bureau estimates 80 hours of system testing on overtime for one Management Analysis Specialist II and one Administrative Analyst I. In addition the Drivers License Bureau would require updates to their procedures, correspondence letters, the Missouri Commercial Driver Guide, and the department's web site. Staff training would also be required.

FY 2013 - System Modifications

*	Administrative Analyst -	80 hrs @ \$24 (1 ½) per hr =	\$1,920
*	Management Analyst Specialist II -	80 hrs @ \$23 per hr =	<u>\$1,840</u>
		Total =	<u>\$3,760</u>
*	Update web page - Administrative Analyst III -	10 hrs @ \$22 =	\$220
*	Update forms - Management Analysis Spec I -	40 hrs @ \$20 =	\$800
*	Update procedures - Management Analysis Spec I -	40 hrs @ \$20 =	<u>\$800</u>
		Total =	<u>\$1,820</u>

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

Blood Alcohol Content Violations by Intoxicated Driving Offenders

Section 302.525 includes provisions for confirmed blood alcohol content (BAC) violations.

DOR officials stated that these provisions would require the programming and testing of the Missouri Driver License (MODL) system.

ASSUMPTION (continued)

Administrative impact

DOR officials assume the Drivers License Bureau would be required to change the suspension notice issued by law enforcement, print 160,000 new forms, replace the current supply of the forms in central stores, and mail copies of the updated forms to 656 law enforcement agencies.

*	Cost for forms - 160,000 @ \$0.12 =	\$19,200
*	Cost for envelopes - 656 @ \$0.12 =	\$79
*	Cost for postage - 656 @ \$5.48 =	<u>\$3,595</u>
	Total =	<u>\$22,874</u>

FY 2014 - Testing RDP Changes

*	Administrative Analyst I - 80 hours @ \$24 (1 ½) per hour =	\$1,920
*	Management Analyst Spec II - 80 hours @ \$23 per hour =	\$1,840
*	Revenue Band Manager I - 20 hours @ \$25 per hour =	<u>\$500</u>
	Total =	<u>\$4,260</u>
*	Update web page - Administrative Analyst III - 10 hrs @ \$22 =	\$220
*	Update forms - Management Analysis Spec I - 40 hrs @ \$20 =	\$800
*	Update procedures - Management Analysis Spec I - 40 hrs @ \$20 =	<u>\$800</u>
	Total =	<u>\$1,820</u>

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

Commercial Drivers License Medical Certifications

Section 302.700 would provide new definitions and modifications to current definitions related to commercial driver license requirements to comply with Federal Motor Carrier Safety regulations.

The Department assumes the costs associated with development and implementation of the proposed medical certification program would be absorbed as part of a system upgrade project and through federal funds.

ASSUMPTION (continued)

Section 302.768 would provide new requirements to support the implementation of Federal Motor Carrier Safety Regulation changes.

To implement these federal requirements, DOR officials assume the Drivers License Bureau would:

- * develop requirements, design and test documentation,
- * modify the Missouri Electronic Driver License system and supporting applications to capture and store required driver certifications and medical qualification data,
- * complete end user testing of all changes,
- * modify the Missouri Commercial Driver License Manual, online and printed version, to include applicable requirements,
- * modify the Uniform License Issuance Manual and other procedures related to commercial driver license processing,
- * develop a central office process for additional research and correspondence related to medical certification,
- * develop a medical certification renewal process,
- * develop notices related to commercial driver license renewals and downgrades related to medical certification compliance, and
- * develop training programs for internal and external customers related to the new medical certification requirements.

Administrative Impact

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

FY 2014 - Commercial Drivers License System Changes

* Printing Cost (per 1,000)	300 @ .076 =	\$23
* Letters	300,000 @ .025 =	\$7,500
* Envelopes	300,000 @ .04 =	\$12,000
* Postage	300,000 @ .45 =	<u>\$135,000</u>
	Total =	<u>\$154,523</u>

ASSUMPTION (continued)

In response to similar provisions in HCS for SS for SCS for SB 443 LR 4277-05 DOR stated they had 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 DOR would not be required by this proposal to notify a licensee of this new federal licensing requirement. Notification upon license renewal could be an option, or DOR could make licensees aware of the requirement in other communications to licensees or to the general public.

Administrative Impact

DOR officials assume the Driver License Bureau would complete system modifications and testing for new MODL conviction codes, update office procedures, and train personnel.

The Driver License Bureau estimates 40 hours of system testing on overtime for one Administrative Analyst I.

FY 2013

Administrative Analyst - 40 hrs @ \$24 (1 ½) per hr = \$960

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

Outboard Motor Model Year

Section 306.532 would change provisions related to outboard motor titles effective August 28, 2012. Any new outboard motor purchased by a dealer from the manufacturer on or after July first of any year would be labeled with the "Year Manufactured" of the immediately following calendar year unless the manufacturer indicates a specific model or program year.

ASSUMPTION (continued)

Administrative Impact

DOR officials assume the Motor Vehicle Bureau would need to modify procedures, requiring a Management Analyst Specialist I for 40 hours of overtime at a cost of \$1,182 in FY 2013. In addition, the Application for Missouri Boat/Vessel or Outboard Motor Title and Registration (DOR-93) would need to be revised to include information on the change in the meaning of "Year Manufactured."

This revisions would require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182 in FY 2013. The DOR web site would need to be updated, which would require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY 2013.

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

DOR officials assume this provision would increase the number of calls the Department receives regarding marine title transactions by 5%. In FY 2011 there were 10,108 phone calls received by the Department regarding marine inquiries (it is unknown how many of these calls were specifically about outboard motors). If we assume calls would increase by 5%, this provisions would result in 505 additional phone calls per year. The additional calls would result in the need for a Revenue Processing Tech I at 40 hrs of overtime to answer and research associated questions at a cost of \$620 in FY 2013, \$751 in FY 2014, and \$759 in FY 2015.

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

Summary of DOR Cost Estimate

The Department of Revenue provided a General Revenue Fund cost estimate to implement this proposal including five additional employees, overtime for various existing staff, forms printing and mailing, and related equipment, expense and additional floor space totaling \$236,694 in FY 2013, \$279,747 in FY 2014, and \$213,764 in FY 2015.

ASSUMPTION (continued)

The DOR cost estimate excluded significant costs which DOR assumed would be included in a general system upgrade and/or paid from federal sources. Those system upgrade and/or federal costs were not separately provided in the DOR response.

For fiscal note purposes, **Oversight** will indicate a combined cost to the General Revenue Fund in excess of \$100,000 to implement this proposal. That cost would include personnel, equipment, and expenditures. Oversight assumes that expenditures related to a potential system upgrade and/or federal grants are included in the Department of Revenue budget and would not be a part of the fiscal impact of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND			
<u>Cost - Department of Revenue</u>			
Personalized plate production and mailing	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
<hr/>			
<u>Cost - Department of Revenue - Intoxication offense compliance enforcement and commercial driver changes</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
<u>Revenue reduction - Sales tax exemption on commercial vehicle parts, repairs, and service</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>

**ENVIRONMENTAL RADIATION
 MONITORING FUND**

<u>Revenue reduction</u> - Transport fee changes	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
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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>
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ROAD BOND FUND

<u>Revenue reduction</u> - Sales tax exemption on vehicles	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON ROAD BOND FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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STATE ROAD FUND

<u>Additional revenue</u> - Department of Revenue - Personalized plate sales	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>
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<u>Revenue reduction</u> - Sales tax exemption on vehicles	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON STATE ROAD 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>
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STATE TRANSPORTATION FUND

<u>Revenue reduction</u> - Sales tax exemption on vehicles	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON STATE TRANSPORTATION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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SCHOOL DISTRICT TRUST FUND

<u>Revenue reduction</u> - Sales tax exemption on vehicles	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>Revenue reduction</u> - Sales tax exemption on commercial vehicle parts, repairs, and service	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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CONSERVATION COMMISSION FUND

<u>Revenue reduction</u> - Sales tax exemption on vehicles	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
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<u>Revenue reduction</u> - Sales tax exemption on commercial vehicle parts, repairs, and service	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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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>
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PARKS, AND SOIL AND WATER FUND

<u>Revenue reduction</u> - Sales tax exemption on vehicles	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
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<u>Revenue reduction</u> - Sales tax exemption on commercial vehicle parts, repairs, and service	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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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>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL GOVERNMENTS			
<u>Revenue reduction</u> - Sales tax exemption on vehicles	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Revenue reduction</u> - Sales tax exemption on commercial vehicle parts, repairs, and service	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Revenues</u> - Bi-State Development Reimbursement of unpaid fares and fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Costs</u> - Bi-State Development Enforcement, investigation and prosecution of unpaid fares and fees	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>More than \$100,000 to (Unknown)</u>	<u>More than \$100,000 to (Unknown)</u>	<u>More than \$100,000 to (Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

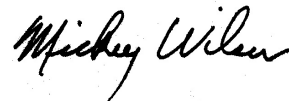
This proposal would:

- * authorize road and bridge tax distribution agreements between counties and municipalities,
- * authorize the creation of community improvement districts in certain municipalities,
- * authorize courts to assess enforcement, investigation, and prosecution charges to persons convicted of failure to pay Bi-State Development Agency fares,
- * expand the current sales and use tax exemption for certain commercial vehicles and provide a sales tax exemption for commercial vehicle parts and repairs,
- * authorize several additional highway naming agreements,
- * authorize several new personalized license plate programs,
- * modify current nuclear waste transport and fee provisions,
- * modify the licensing provisions for certain off-road vehicles,
- * modify current requirements for commercial drivers' licenses, and for drivers convicted of driving while intoxicated,
- * provide for the assessment of fees on insurance carriers which do not participate in the state's assigned risk pool program,
- * require municipalities to designate truck routes, and
- * provide a uniform model year designation for outboard motors when the manufacturer does not do so.

Parts of this legislation are federally mandated. This proposal would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Joint Committee on Administrative Rules
Office of State Courts Administrator
Office of Prosecution Services
Office of State Public Defender
Office of Administration
 Division of Budget and Planning
Department of Conservation
Department of Corrections
Department of Health and Senior Services
Department of Insurance, Financial Institutions, and Professional Registration
Department of Mental Health
Department of Natural Resources
Department of Revenue
Missouri Highway Patrol
Department of Transportation
Jefferson City Police Department
Kansas City Police Department
Linn State Technical College
Metropolitan Community College
Missouri Western State University
Northwest Missouri State University
University of Central Missouri
St. Louis County
Bi-State Development Agency
Metropolitan St. Louis Sewer District



Mickey Wilson, CPA
Director
June 18, 2012