

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0567-07
Bill No.: Truly Agreed To and Finally Passed CCS for SCS for HB 103
Subject: Motor Vehicles; Roads and Highways; Cities, Towns, and Villages;
 Transportation; Transportation Department
Type: Original
Date: June 14, 2013

Bill Summary: This proposal modifies several provisions relating to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Up to \$280,505)	(Under \$100,000)	(Under \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Up to \$280,505)	(Under \$100,000)	(Under \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 15 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§174.700, 174.703, 174.706, 174.709, 174.712 and 544.157 - Vehicular Traffic on College and University Campuses:

Officials from the **Department of Higher Education (DHE)** state this proposal will have no direct, foreseeable impact on their agency.

DHE assumes granting authority to state college and university police officers to implement and enforce traffic regulations on public college and university property may result in additional revenue from fines or financial penalties assessed and received by the institutions as a result of the enforcement of those regulations. This could have a positive fiscal impact on public colleges and universities granted this authority under the bill. DHE defers to institutions, which were included on the initial request, for the actual fiscal impact estimated by those individual entities.

Officials from the **Department of Revenue (DOR) - Motor Vehicle Bureau** assume this proposal will result in an unknown increase in convictions to be processed by the Driver License Bureau. With the increase in convictions, the number of point warning and suspension/revocation notices issued for accumulation of points will also increase.

Oversight assumes this provision is permissive and, for fiscal note purposes only, will assign no fiscal impact.

§ 301.301 - Stolen License Place Tabs:

DOR assumes this section of the proposal deletes provisions allowing an applicant to receive, at no cost, up to two sets of two license plate tabs per year for the replacement of a stolen tab issued on or after January 1, 2009 with a police report corresponding with the stolen tab.

DOR assumes this section also allows an applicant to receive, at no cost, up to two sets of two license plate tabs per year for the replacement of a stolen tab with a notarized affidavit verifying that the license plate tab or tabs were stolen.

ASSUMPTION (continued)

DOR states in FY 2012 there were 18,288 total replacement tabs issued when the originals were stolen. 4,454 of those replacement tabs were issued at no fee when a police report was presented for stolen tabs, leaving 13,834 issued with the \$8.50 replacement fee charged.

DOR assumes that not requiring a police report for the issuance of replacement tabs at no fee when the originals were stolen and requiring only a notarized affidavit of such, may result in the replacement tabs issued with a fee of \$8.50 now being issued at no fee.

DOR assume a cost of \$2,953 in FY 2014 to provide for the implementation of the changes in this provision.

DOR assumes this proposal may result in a reduction of state revenue received from the \$8.50 replacement fee. As stated above, potentially 13,834 replacement tabs, normally assessed the replacement fee, may be issued at no fee if accompanied by a notarized affidavit.

This will result in an overall loss of \$97,991 in FY 14 (10 Months), and \$117,589 in FY 15 and FY 16 to the General Revenue Fund.

Oversight assumes the number of replacement tabs requested at no fee with a notarized affidavit will increase from the current free tab replacement process but vary from year to year.

Oversight assumes some taxpayers will simply pay the \$8.50 replacement fee instead of obtaining a notarized affidavit. **Oversight** will assume a loss of under \$100,000 each year from this section to General Revenue.

§ 301.449 - School Emblems on License Plates:

DOR assumes the fiscal impact for this provision is based on the current holders of out-of-state college specialty license plates. This provision would allow these individuals to continue renewing their specialty license plates.

DOR assumes this proposal allows out-of-state colleges approved before August 28, 2012, to finalize the approval process for their specialty license plate.

DOR assumes a total administrative cost of \$4,010 in FY 2014 to provide for the implementation of the changes of this provision.

ASSUMPTION (continued)

DOR assumes a total cost for plate set-up (FY 14 only), manufacturing, and mailing college specialty license plates of \$1,383 in FY 14, \$1,701 in FY 15, and \$1,743 in FY 16.

DOR notes because specialty personalized plate fees are not incident to the right to use the highways of this state, these fees are properly distributed to the General Revenue Fund.

DOR states assuming 200 applications per year there would an increase in revenue from the \$15 specialty plate fee of \$2,500 in FY 14 (10 Months), \$3,000 in FY 15 and FY 16 to General Revenue.

For FY 2014, **Oversight** assumes the start-up costs incurred by DOR might exceed the specialty plate fee revenue if the response to the proposal is less than expected. Therefore, Oversight will range the fiscal impact in FY 2014 from a net cost of under \$100,000 to a net gain of under \$100,000.

For fiscal years 2015 and 2016, **Oversight** assumes the revenue into the General Revenue Fund will at least cover the estimated costs from the proposal, resulting in a positive less than \$100,000 estimated net effect to the General Revenue Fund.

§ 302.302 - Point Violations:

DOR assumes this provision includes two new point violations for endangerment and aggravated endangerment of an emergency responder; this will result in an unknown increase in convictions to be processed by the Driver License Bureau.

DOR assume an administrative and ITSD cost of \$1,722 in FY 2014 to provide for the implementation of the changes in this provision.

§ 302.341 - Revenue from Traffic Violations:

Officials at the **Department of Elementary and Secondary Education (DESE)** assume there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year.

DESE assumes the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless districts, in which case the districts will not see a decrease in the amount of funding received through the

ASSUMPTION (continued)

formula.

DESE assumes any increase in fine money distributed to the hold-harmless districts will simply be additional funding to the district. An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Oversight assumes any decrease in foundation formula funds to local school districts resulting from this proposal would be distributed through the formula to other school districts resulting in no savings to the foundation formula or other state funds.

In response to a previous version of this proposal, officials from the **Special School District** assumed an unknown but minimal positive impact on the district which currently receives approximately \$30,000 in fines and forfeitures per year.

In response to a previous version of this proposal, officials from the **Parkway School District** assumed this proposal would result in unknown additional revenue to the district.

In response to a previous version of this proposal, officials from the **Springfield Police Department** stated their current general revenue fund is around \$70 million, 20% of annual operating revenue is \$14 million. Revenue from moving traffic violations is approximately \$1 million per year. The department assumes this proposal would have no fiscal impact on the City of Springfield.

Oversight assumes any hold harmless school district may receive an unknown but minimal increase in funding if the political subdivision in which it is located receives more than 30% of their annual operating revenues from traffic fines.

Oversight has no way of knowing how many political subdivisions receive more than 30% of their annual general operating revenues from traffic fines and have a hold harmless school district, for the purpose of the fiscal note, **Oversight** will assume no impact or a positive unknown less than \$100,000 to local hold harmless school districts.

ASSUMPTION (continued)

§§ 302.700, 302.720, 302.735, 302.740, and 302.755 - Uniform Commercial Driver's License Act:

DOR assumes a cost of \$152,494 (\$29,700 + \$4,880 + \$28,000 + \$89,914) in FY 2014 to provide for the implementation of the changes in this section of the proposal.

OA-ITSD staff will need to make programming changes to the Missouri Driver License (MODL) system. The level of effort is calculated at 400 hours @ \$27.05 per hour = \$10,820 for OA-ITSD.

Oversight assumes the costs to DOR for this provision are included in § 304.820

§§ 304.013 and 304.032 - All-Terrain Vehicles on Streets:

Oversight assumes this section of the proposal would permit a municipality to adopt an ordinance or resolution that allows all-terrain vehicles or utility vehicles to operate on the streets and highways under its jurisdiction. Oversight assumes this section would result in no direct fiscal impact on state or local government funds.

§ 304.120 - Yellow and Red Light Traffic Signals:

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this section of the proposal would specify that a vehicle cannot be restricted from a street intersection during a red light, if the vehicle began the crossing while the light was still yellow.

BAP stated this section is not anticipated to impact total state revenues.

Oversight assumes this section of the proposal would result in an unknown loss of fine revenue to some local political subdivisions.

§ 304.180 - Vehicles Hauling Recyclable Waste for Animal Feed and Hauling of Livestock:

Officials from the **Department of Natural Resources (DNR)** assume this section of the proposed legislation is not intended to result in the permitting of recycling centers managing source separated or commingled recyclable materials which are currently permit exempt.

DNR anticipates no fiscal impact to the department resulting from this section of the proposal.

ASSUMPTION (continued)

§ 304.820 - Texting and Cell Phone use While Driving a Commercial Vehicle:

DOR assumes this section of the proposal amends existing provisions for hand-held mobile phone and electronic texting to prohibit such use while operating a commercial motor vehicle (CMV), so as to comply with federal requirements.

DOR assumes a total cost of \$166,560 (\$152,494 + \$10,820 + \$3,246) in FY 2014 to provide for the implementation of the changes in this part of the proposal.

The proposed changes in this section will require DOR to:

- Include CDL permit holders in the disqualification routine;
- 'Stack' most CDL disqualifications;
- Include texting and hand-held mobile telephone convictions (commercial motor vehicles only) in the serious disqualification routine;
- Update Procedures, Correspondence letters and Department's website;
- Training of staff;
- Review of administrative rules for possible revisions.

Officials from the **Department of Transportation (MoDOT)** assume the proposal would not fiscally impact their agency. MoDOT states if the Commercial Driver's License language is not passed, the state will be subject to a federal penalty.

§§ 304.890, 304.892, and 304.894 - Endangerment of Emergency Workers:

Oversight notes this provision defines an active emergency, active emergency zone, and emergency responder. The provision assesses additional fine amounts upon conviction or plea of guilty for moving violations. This provision also defines the offense of endangerment of an emergency worker and aggravated endangerment of an emergency worker.

In response to a similar proposal from this year (HB 638), officials from the **Office of Prosecution Services** assumed there will be no measurable fiscal impact from this proposal. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional cost, which are difficult to determine.

In response to a similar proposal from this year (HB 638), officials at the **Office of State Public Defender (SPD)** assumed that existing staff will provide effective representation for any

ASSUMPTION (continued)

new cases arising where indigent persons are charged with the proposed new crime of endangerment of emergency personnel or emergency responder - a new Class C misdemeanor. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation.

Oversight assumes the SPD and county prosecutors can absorb the additional caseload that may result from this provision.

§ 307.400 - Covered Farm Vehicles:

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this section of the proposal exempts covered farm vehicles from those motor or commercial motor vehicles that are required to be placarded for hazardous materials under federal law when transporting property in intrastate commerce.

BAP assumed no impact on total state revenues and defers to DOR and MODOT for the fiscal impact of this section.

DOR assumes the proposed changes will require modification to the Missouri Commercial Driver License Manual (web and printed version), modification to web site information related to commercial driver licensing exemptions, if applicable, and drafting and filing of changes to State Code of Regulations related to farm related services.

DOR assumes a cost of \$5,260 (\$1,020 + \$4,240) in FY 2014 to provide for the implementation of the changes in this proposal.

§§ 1 -7 - Land Conveyances:

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume these sections allow multiple land conveyances from the State of Missouri to various cities and counties. To the extent that the state receives proceeds from these sales, there will be an increase to general and other funds along with total state revenues.

Officials from the **Department of Transportation** assume this part of the proposal would not fiscally impact their agency.

ASSUMPTION (continued)

Oversight assumes these sections allow the Governor to sell, transfer, grant, convey, remise, release and forever quitclaim the state of Missouri's interest in certain land conveyances located in various counties throughout the state to MoDOT.

Oversight assumes the state would convey the property at a fair market value. Therefore, Oversight will assume the conveyance of land would not result in a change of net assets to the state.

Bill as a Whole:

DOR officials assume a total administrative cost to implement this program of \$180,505 for programming and other administrative expenses in FY 2014. Also, DOR assumed the need for two additional FTE Revenue Processing Technicians (each at \$25,884 annually).

Oversight assumes DOR could absorb some of the additional responsibilities within this proposal and would not require the additional FTE. Oversight assumes some of DOR's anticipated work hours in FY 2014 could be performed during the normal work day and not create an additional expense to their budget; therefore, Oversight will range the cost to DOR as "Up to \$180,505."

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

In response to similar proposals from this year, (SB 157 and SB 102), officials from the **Office of the State Public Defender (SPD)** stated that as a result of excessive caseloads, the office cannot assume existing staff will provide competent, effective representation for any indigent clients faced with the enhanced penalties for violating the scrap metal provisions of RSMo 407.300, a class B misdemeanor, with the 2nd offense being a class A misdemeanor.

While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attaches.

In response to similar proposals from this year, (SB 157 and SB 102), officials from the **Department of Corrections (DOC)** stated penalty provisions for violations, the component of the bill to have potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY12 average of \$4.960 per offender, per day, or an annual cost of \$1,810 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Agriculture, Department of Public Safety - Missouri State Highway Patrol, Department of Natural Resources, Joint Committee on Administrative Rules, City of Kansas City, Metropolitan Community College, and Linn State Technical College** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Revenue</u> - DOR	Less than	Less than	Less than
§ 301.449- Specialty Plate Fees	\$100,000	\$100,000	\$100,000
<u>Cost</u> - DOR			
§ 301.449- Processing Costs for Specialty Plates	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Loss</u> - DOR	(Under	(Under	(Under
§ 301.301 - Replacement Tab Fee	\$100,000)	\$100,000)	\$100,000)
<u>Costs</u> - DOR			
§ 304.820 - Administrative changes to prepare for updates in the proposal	(Up to \$180,505)	\$0	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(Up to \$280,505)	(Under \$100,000)	(Under \$100,000)
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL GOVERNMENT FUNDS			
<u>Revenue</u> - Hold Harmless Schools	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
§ 302.341 - Excess traffic fines	less than \$100,000	less than \$100,000	less than \$100,000
<u>Loss</u> - Political Subdivisions			
§ 304.120 - Reduced Red Light Traffic Fines	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT FUNDS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT - Small Business

§ 407.300 - Catalytic Converters:

Small scrap metal businesses who buy catalytic converters, as well as buyers of gold, silver, and platinum, would be required to keep more detailed records regarding the persons from whom they receive material than what is currently required. This may or may not have a negative fiscal impact to those businesses.

FISCAL DESCRIPTION

§ 301.301 - Stolen License Place Tabs:

This proposal modifies the process for obtaining free license plate tabs. Under current law, any person replacing a stolen license plate tab may receive at no cost up to two sets of two license plate tabs per year when the application for the replacement tab is accompanied with a police report. This proposal replaces the police report with a notarized affidavit so that a person may receive up to two sets of license plate tabs per year when the application for the replacement tab is accompanied by a notarized affidavit verifying that the tab or tabs were stolen.

§ 301.449 - School Emblems on License Plates:

Currently, only a community college or a four-year public or private institution of higher education or a foundation or organization representing the college or institution, located in Missouri may authorize or may, by the Director of the Department of Revenue, be authorized to use the school's official emblem to be affixed on a multi-year personal license plate. This provision allows any institution located outside of the state that had a license plate issued by the department containing its official emblem prior to August 28, 2012, to continue authorizing the use of its official emblem on the plates.

§ 302.341 - Revenue from Traffic Violations:

The proposal further removes the qualification that the traffic violation revenue limitation only apply to violations occurring on state highways. The proposal makes the revenue limitation applicable to all traffic violations occurring within the described political subdivisions regardless of highway type. The proposal makes the law applicable to amended charges from any traffic violation and lowers the 35% threshold to 30%.

FISCAL DESCRIPTION (continued)

§ 304.120 - Yellow and Red Light Traffic Signals:

This proposal specifies that a vehicle cannot be restricted from a street intersection during a red light, if the vehicle began the crossing while the light was still yellow.

§ 304.820 - Texting and Cell Phone use While Driving a Commercial Vehicle:

Under current law, texting while driving is limited to persons under the age of 21 and excludes the majority of commercial driver's license holders.

Under this proposal, a person convicted of texting while operating a commercial motor vehicle or convicted of using a hand-held mobile telephone while driving a commercial motor vehicle, may have his or her commercial driver's license disqualified.

Under the proposal, texting while driving and using a hand-held mobile telephone while driving a commercial motor vehicle has been defined as a serious traffic violation.

This proposal makes it an infraction to operate a moving commercial motor vehicle while using a hand-held mobile telephone or text while operating a moving commercial motor vehicle.

§ 304.820 of this proposal is federally mandated. Failure to comply with these regulations could result in a reduction of federal highway funds to the state of Missouri for non-compliance with requirements for state commercial driver programs.

§ 301.449 has an emergency clause related to the issuance of out-of-state collegiate plates.

The proposal would not duplicate any other program and would not require additional capital improvements or rental space. Part of the proposal is federally mandated.

SOURCES OF INFORMATION

Department of Revenue
- Motor Vehicle Bureau
Department of Transportation
Department of Higher Education
Department of Elementary and Secondary Education
Office of Administration -
Division of Budget and Planning
Department of Natural Resources
Office of Prosecution Services
State Public Defender's Office
Office of Secretary of State
Department of Corrections
Department of Agriculture
Missouri State Highway Patrol
Joint Committee on Administrative Rules
City of Kansas City
Metropolitan Community College
Linn State Technical College
Special School District
Parkway School District
Springfield Police Department



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Acting Director
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