

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5024-01
Bill No.: Perfected SB 696
Subject: Motor Vehicles; Licenses - Motor Vehicle; Roads and Highways; Transportation; Crimes and Punishment
Type: Original
Date: March 25, 2014

Bill Summary: This proposal increases the penalties for driver license suspension periods for those who fail to yield the right-of-way in certain instances.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0	Could exceed \$100,000	Could exceed \$100,000
Total Estimated Net Effect on General Revenue Fund	\$0	Could exceed \$100,000	Could exceed \$100,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Highway Fund	Unknown Less than \$100,000	Unknown Less than \$100,000	Unknown Less than \$100,000
State School Moneys*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown Less than \$100,000	Unknown Less than \$100,000	Unknown Less than \$100,000

* Offsetting savings and losses in Fiscal Years 2016 and 2017

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Political Subdivisions*	Could exceed \$100,000	Unknown Less than \$100,000	Unknown Less than \$100,000

* Offsetting Revenues and Losses in Fiscal Years 2016 and 2017

FISCAL ANALYSIS

ASSUMPTION

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

In response to a similar proposal from this year (HB 1149), officials from the **St Louis County** assumed the proposal would have no fiscal impact on their organization.

Officials from the **Department of Elementary and Secondary Education (DESE)** state 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. Therefore 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, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Oversight assumes the proposal would result in increased fine revenues paid to local governments. Oversight assumes the revenues from the increased fines would be distributed to local school districts, which would reduce the distributions the school districts would receive from the state school moneys fund the next year, ultimately resulting in a savings to the General Revenue Fund. Oversight has reflected the fiscal impact to the State School Moneys Fund and General Revenue Fund for fiscal years 2016 and 2017, because any increase in fees distributed to schools increases the deduction in the foundation formula the following year.

Officials from the **Office of the State Courts Administrator** state the proposed legislation would increase the fine for failure to yield the right-of-way. According to the Fine Collection Center, as well as the total number of charges, the net average for the past five years of failure to yield the right-of-way violations with a guilty disposition is 3,127. It is unknown how much additional revenue the increase in fines would produce.

ASSUMPTION (continued)

Since it is unknown how much additional revenue the increase in fines would produce, for fiscal note purposes only, **Oversight** will estimate revenue as: ‘Could exceed \$100,000.’

Officials from the **Department of Revenue (DOR)** assume this proposal would increase the penalties for any person who pleads guilty to or is found guilty of a failure to yield the right-of-way violation in which the offender is found to have caused serious injury or has caused a fatality and requires the court to order a failure to yield the right-of-way suspension when applicable. In the event of a fatality, the proposed legislation would require the offender to complete a driver improvement program.

Administrative Impact

Driver License Bureau (DLB):

DOR is unable to determine how many court ordered suspensions will be received to process. Today a Revenue Processing Tech I can process 104 court orders daily. If we receive 104 court orders daily we would require 1 FTE to process the orders. For every additional 104 court orders received daily an additional FTE would be requested through the appropriation process.

The proposed changes will require programming and testing of the failure to yield the right-of-way suspensions when involving a fatality.

- The Driver License Bureau estimates 80 hours of system testing by one Administrative Analyst.
- The Driver License Bureau estimates 80 hours of system testing by one Management Analysis Specialist II.

Administrative Analyst -	80 hrs @ \$25 per hr =	\$2,000
Management Analyst Specialist II -	80 hrs @ \$24 per hr =	<u>\$1,920</u>
	Total =	\$3,920

Update web page - Administrative Analyst III -	10 hrs @ \$22 =	\$220
Update forms – Management Analysis Spec I -	40 hrs @ \$20 =	\$840
Update procedures – Management Analysis Spec I -	40 hrs @ \$20 =	<u>\$840</u>
	Total =	\$1,910

ASSUMPTION (continued)

OA-ITSD Impact:

The following changes will need to be made:

- MODL – 60 hours;
- New compliance screen;
- Modify existing entry screen; and
- New compliance code for driver improvement program.

The value of the level of effort is calculated on 60 FTE hours @ \$27.05 = \$1,623.

In summary, DOR assumes a cost of \$7,468 (\$3,920 + \$1,910 + \$1,638) in FY 2015 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 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.

DOR states reinstatement fees collected is unknown. Fees collected will be distributed 75% Highway Funds, 15% Cities, and 10% Counties.

Since it is unknown how much additional revenue the reinstatement fees collected would produce, for fiscal note purposes only, **Oversight** will estimate revenue as: Unknown less than \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Savings</u> - Reduced transfers to State School Moneys Fund	<u>\$0</u>	Could exceed <u>\$100,000</u>	Could exceed <u>\$100,000</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	Could exceed <u>\$100,000</u>	Could exceed <u>\$100,000</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
STATE SCHOOL MONEYS FUND			
<u>Savings</u> - Reduced distributions to local school districts	\$0	Could exceed \$100,000	Could exceed \$100,000
<u>Losses</u> - Reduced transfers in from General Revenue Fund	<u>\$0</u>	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND			
<u>Income</u> - Additional revenue from reinstatement fees	Unknown Less <u>than \$100,000</u>	Unknown Less <u>than \$100,000</u>	Unknown Less <u>than \$100,000</u>
ESTIMATED NET EFFECT ON HIGHWAY FUNDS	<u>Unknown Less than \$100,000</u>	<u>Unknown Less than \$100,000</u>	<u>Unknown Less than \$100,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities and Counties Additional revenue from reinstatement fees	Unknown Less than \$100,000	Unknown Less than \$100,000	Unknown Less than \$100,000
<u>Revenues</u> - Local School Districts Income from fines	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Losses</u> - Local School Districts Reduced distributions from State School Moneys Fund	<u>\$0</u>	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Could exceed \$100,000</u>	<u>Unknown Less than \$100,000</u>	<u>Unknown Less than \$100,000</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

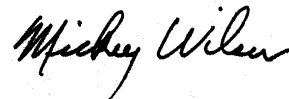
Currently, a person who causes physical injury or death to another person by failing to yield the right-of-way is subject to additional monetary penalties and driver's license suspensions. This act increases the maximum penalty for a person who causes physical injury to a person by failing to yield the right-of-way from \$200 to \$1,000, and requires a minimum penalty of \$500 to be assessed. In the case of serious physical injury this act increases the maximum penalty from \$500 to \$3,000, and requires a minimum penalty of \$1,000 to be assessed. The act further makes the 90-day suspension period mandatory rather than discretionary in the case of serious physical injury. This act increases the maximum penalty for a person who causes the death of another person by failing to yield the right-of-way from \$1,000 to \$10,000, and requires a minimum of \$5,000 to be assessed. The act also requires the court to issue an order of suspension for a minimum of 6 months up to one year. In addition, the person who causes a fatality by failing to yield the right-of-way must successfully complete a driver-improvement program.

FISCAL DESCRIPTION (continued)

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

SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety
Department of Transportation
Office of the State Courts Administrator
Department of Elementary and Secondary Education
St Louis County



Mickey Wilson, CPA
Director
March 25, 2014

Ross Strobe
Assistant Director
March 25, 2014