

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5454-05
Bill No.: SCS for HCS for HB 1976 with SA 1, SA 2, SA 3 and SA 4
Subject: Business and Commerce; Consumer Protection; Contracts and Contractors;
 Crimes and Punishment; Highway Patrol; Insurance - Automobile; Insurance -
 Property; Insurance, Financial Institutions & Professional Registration,
 Department of; Law Enforcement Officers and Agencies; Motor Vehicles;
 Property, Real and Personal; Transportation
Type: Original
Date: April 27, 2016

Bill Summary: This proposal modifies provisions relating to motor vehicle services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$8,788)	(\$19,508)	(\$26,780)
Total Estimated Net Effect on General Revenue	(\$8,788)	(\$19,508)	(\$26,780)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Revenue**, the **Office of the State Courts Administrator**, the **Administrative Hearing Commission**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Transportation** and the **Office of Prosecution Services** each assume the current proposal would not fiscally impact their respective agencies.

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

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of unauthorized towing, a new Class A Misdemeanor with escalators for subsequent offenses. The SPD is currently providing legal representation in caseloads in excess of recognized standards.

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 in all cases where the right to counsel attaches.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Corrections (DOC)** state this proposal creates three new crimes; one of which would be supervised by the DOC. The D and A Misdemeanors listed in 304.153 would not be supervised by the DOC. However, upon the committing of a third offense, a tow operator could be charged with a D Felony. As the previously held statute does not have any comparable offenses and this is a new crime, it is not possible to pinpoint the exact impact of this particular statute. The average sentence for nonviolent D Felonies is 3.5 years with 1.5 of those years served in prison and 2 on parole or with 3 years served on probation. It is shown that this non-violent D Felony will lead to one new prison sentence and two new probation sentences per year. After four years, this should lead to an increase in the institutional population by 1.5 and the field population by 8.

The FY '15 average cost of supervision is \$6.04 per offender per day or an annual cost of \$2,205 per offender. The DOC cost of incarceration is \$16.809 per day or an annual cost of \$6,135 per offender.

ASSUMPTION (continued)

The DOC would assume this legislation will result in long term cost as indicated in the chart below.

	# to Prison	Cost Per Year	Total Cost Prison	# to Probation and/or Parole	Cost Per Year	Total Cost of Probation and Parole	Grand Total Prison and Probation
Year 1 (10 mos)	1.0	(\$6,135)	(\$6,135)	2.0	(\$2,205)	(\$4,410)	(\$8,788)
Year 2 (2% inflation)	1.5	(\$6,135)	(\$9,203)	4.5	(\$2,205)	(\$9,923)	(\$19,508)
Year 3 (2% inflation)	1.5	(\$6,135)	(\$9,203)	7.5	(\$2,205)	(\$16,538)	(\$26,780)
Year 4 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$28,485)
Year 5 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$29,055)
Year 6 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$29,363)
Year 7 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$30,229)
Year 8 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$30,834)
Year 9 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$31,450)
Year 10 (2% inflation)	1.5	(\$6,135)	(\$9,203)	8.0	(\$2,205)	(\$17,640)	(\$32,079)

ASSUMPTION (continued)

Senate Amendment 1

Oversight assumes this amendment will not change the original fiscal impact.

Senate Amendment 2

Oversight assumes this amendment will not change the original fiscal impact.

Senate Amendment 3

Oversight assumes this amendment will not change the original fiscal impact.

Senate Amendment 4

In response the same provisions in a similar proposal, SB 659, officials from the **Department of Public Safety - Missouri Highway Patrol, Department of Transportation and Department of Revenue** each assumed the proposal would have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Costs - DOC</u>			
Prison and Probation for new crime	<u>(\$8,788)</u>	<u>(\$19,508)</u>	<u>(\$26,780)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$8,788)</u>	<u>(\$19,508)</u>	<u>(\$26,780)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business towing companies would be fiscally impacted.

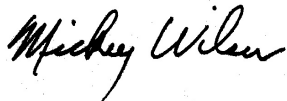
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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 Insurance, Financial Institutions and Professional Registration
Department of Revenue
Administrative Hearing Commission
Attorney General's Office
Department of Public Safety
 Missouri Highway Patrol
Office of Prosecution Services
Office of the State Courts Administrator
Office of the State Public Defender
Department of Corrections
Department of Transportation



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April 27, 2016

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