

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0915-04
Bill No.: CCS for HCS for SB 225
Subject: Buses; Motor Vehicles; Roads and Highways; Transportation
Type: Original
Date: May 11, 2017

Bill Summary: This proposal modifies provisions relating to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Blind Pension	\$0	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	Unknown to (Unknown)	Unknown to (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 15 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§137.095

Oversight notes this section would allow the assessed valuation of any tractor or trailer used in interjurisdictional commerce to be apportioned to Missouri based on the average per vehicle distance chart provided under the International Registration Plan.

In response to a similar proposal from 2017 (SB 311, LR # 1334-01), officials from the **Office of Administration - Division of Budget and Planning (B&P)** stated this proposal would attempt to clarify to the counties how interjurisdictional commerce tractor/trailers should be assessed. If this proposal results in additional property taxes, the amount going to the Blind Pension Fund could increase, thus increasing Total State Revenues and possibly impacting the revenue limit calculation required by the state constitution. If the proposal results in lower property taxes, the amount going to the Blind Pension Fund and ultimately Total State Revenues could be reduced thus impacting the constitutional revenue limit calculation. B&P officials deferred to the Department of Transportation for any more specific fiscal impact information.

In response to a similar proposal from 2017 (SB 311, LR # 1334-01), officials from the **State Tax Commission (TAX)** assumed this proposal would have no fiscal impact on their organization. TAX officials advised us that under the current assessment process, trucking enterprises are taxed upon their most used base as defined in Section 137.095.2, RSMo. and the allocation to be taxed in Missouri is determined using a ratio of Missouri miles to total miles.

In response to a similar proposal from 2017 (SB 311, LR # 1334-01), officials from the **Department of Transportation** assumed this proposal would have no fiscal impact to their organization.

In response to a similar proposal from 2017 (SB 311, LR # 1334-01), officials from the **Forsyth R-III Schools** and the **Kirksville School District** assumed this proposal would have a positive fiscal impact on their organizations.

ASSUMPTION (continued)

In response to a similar proposal from 2017 (SB 311, LR # 1334-01), officials from the **West Plains School District** stated they were not able to estimate the impact of this proposal on their organization.

In response to a similar proposal from 2017 (SB 311, LR # 1334-01), officials from the **Office of the Secretary of State**, the **Joint Committee on Administrative Rules**, the **Department of Economic Development**, the **Department of Revenue**, **Callaway County**, the **Jackson County Election Board**, the **Plate County Board of Elections**, and the **St. Louis County Directors of Elections** assumed this proposal would have no fiscal impact on their organizations.

Oversight has no way to determine whether this proposal would increase or reduce assessed valuations and property tax revenues and will indicate a fiscal impact from unknown positive to unknown negative in this fiscal note, for local governments and the Blind Pension Fund. Oversight notes this proposal would be effective beginning with 2018 assessments, which would affect 2018 property taxes paid in December 2018 (FY 2019).

§226.520

Oversight notes this section provides that two-year and four-year educational institutions shall be eligible for the same types of signs.

In response to a similar proposal from 2017 (SCS/SB 355, LR # 1582-02), officials from the **Department of Transportation** and **Department of Economic Development** each assumed the proposal would have no fiscal impact on their respective organizations.

§§287.020, 288.035, 301.031, 301.227, 301.550

Oversight notes the removal of certain references are the only changes in these sections. Oversight assumes these changes will not cause a fiscal impact to any agency.

§§301.010, 304.170, 304.180

Oversight notes this section modifies provisions of current law to ensure compliance with the Fixing America's Surface Transportation Act of 2015. Oversight assumes there will be no fiscal impact from this section.

In response to a similar proposal from 2017, (HCS/HB 542, LR # 1038-03), officials from the **Department of Transportation**, **Department of Revenue**, **Department of Public Safety - Missouri Highway Patrol**, **Department of Labor and Industrial Relations** and **Department of Insurance, Financial Institutions and Professional Registration** each assumed the proposal would have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

§301.136

Oversight notes this section allows camping trailers more than twenty-five years old to be permanently registered and be issued historic trailer license plates.

In response to a similar proposal from 2017 (HCS/HB 225, LR # 0666-02), officials at the **Department of Revenue (DOR)** stated the following regarding this proposal:

§301.136

Provides that any camping or fifth-wheel trailer, as defined in §407.1320 that is over twenty-five years old may be permanently registered upon payment of a registration fee of \$52.50.

- §407.1320, RSMo, defines fifth-wheel trailer as a "vehicle, mounted on wheels, designed to provide temporary living quarters for recreational, camping or travel use, of such size or weight as to not require a special highway movement permit, of gross trailer area not to exceed four hundred square feet (37.2m²) in the set-up mode, and designed to be towed by a motorized vehicle that contains a towing mechanism that is mounted above or forward of the tow vehicle's rear axle."
- Upon the transfer of the title to any such trailer, the registration shall be cancelled and the license plates issued shall be returned to the director.
- The owner of such trailer shall file an application in a form prescribed by the director and a certificate of registration shall be issued.
- Provides that any person possessing license plates issued by the state of Missouri that are over twenty-five years old, in which the year of issuance of such plates is consistent with the year of the manufacture of the camping or fifth-wheel trailer, may register such plates as historic trailer plates as set forth in this section, provided that the configuration of letters, numbers, or combination of letters and numbers of such plates are not identical to the configuration of letters, numbers, or combination of letters and numbers of any plates already issued to an owner by the director.
- The license plates shall not be required to possess the characteristic features of reflective material and common color scheme and design as prescribed by §301.130.
- The owner of the historic trailer registered under this section shall keep the certificate of registration in the trailer at all times.

ASSUMPTION (continued)

Administrative Impact

- The certificate of registration shall be prima facie evidence that the trailer has been properly registered with the director and that all fees have been paid.

Motor Vehicle Bureau (MVB)

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$838 in FY 2018.
- The Application for Historic License Plates (DOR-570) will need to be revised to include trailers and a "Year of Manufacture" trailer registration option. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$838 in FY 2018.
- The Department's website will need to be updated to include the new plate type. This will require 10 hours for an Administrative Analyst III, at a cost of \$226 in FY 2018.
- The Department would incur 20 hours for a Revenue Processing Tech II to set up the new plate within MVB systems and testing at a cost of \$293 in FY 2018.
- MVB testing for identified system modifications. 80 hours for each system modification for a total of 240 hours by a Management Analyst Specialist I at a cost of \$5,026 in FY 2018.

This proposal allows for permanent non-expiring trailer license plates and "year of manufacture" trailer license plates to be registered to camper trailers and fifth wheel camper trailers that are over 25 years old. The Department assumes "over 25 years old" is to mean 25 years old or older, as it is interpreted in section §301.131 for historic and year of manufacture motor vehicle registrations.

- The Department currently issues historic registrations under §301.131. It is assumed the same historic plates currently in use will be issued to those camper trailers and fifth wheel camper trailers that are over 25 years of age under this proposal. Therefore, no costs for the creation of a new plate are being shown.
- The applicant must list on the application the year of the camper trailer and the body style as a camper.

ASSUMPTION (continued)

Administrative Impact (continued)

- The "year of manufacture" trailer plates will be applied for, processed, and registrations issued through the central office only, similar to year of manufacture motor vehicle plates under §301.131.

The Department would incur additional postage costs for mailing "year of manufacture" trailer registrations to applicants.

- It is unknown how many applicants would specifically apply for "year of manufacture" trailer license plates. The following range is based on 10% of trailer owners that fit the appropriate category registering as "year of manufacture". The mailing costs could range from \$0.00 to \$139 in FY 2018 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49). For purposes of this fiscal note, the range will be applied through the three applicable fiscal years coming out to about \$70 per fiscal year.

OA-ITSD services will be required at a cost of \$17,921.25 (238.95 hours x \$75 per hour) in FY 2018.

In summary, DOR assumes a cost of **\$25,142.25** (\$838 + \$838 + \$226 + \$293 + \$5,026 + \$17,921.25) in FY 2018.

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.

In response to a similar proposal from 2017 (HCS/HB 225, LR # 0666-02), officials from the **Department of Transportation** concurred with the Department of Revenue regarding any fiscal impact to their organization.

In response to a similar proposal from 2017 (HCS/HB 225, LR # 0666-02), officials from the **Department of Corrections** assumed the proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

§302.441

Oversight notes this section states that employment exemption variances will not be granted to persons who are self-employed or who wholly or partially own or control an entity that owns an employer-owned vehicle. Oversight assumes there is no fiscal impact from this section.

§304.005

Oversight notes this section modifies the definition of autocycle.

In response to a similar proposal from 2017 (HB 824, LR # 1633-01), officials from the **Department of Transportation**, the **Department of Revenue** and the **Department of Public Safety - Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations.

§304.022

Oversight notes this section modifies provisions regulating the use of flashing lights by certain stationary vehicles on roads.

In response to a similar proposal from 2017, (SCS/SB 61, LR # 0415-02), officials from the **Department of Transportation**, **Department of Corrections**, **Office of the State Public Defender**, **Department of Revenue**, **Department of Public Safety** and **Office of Prosecution Services** each assumed the proposal would have no fiscal impact on their respective organizations.

§§304.170, 304.180

Oversight notes this section modifies provisions of current law to ensure compliance with the Fixing America's Surface Transportation Act of 2015. Oversight assumes there will be no fiscal impact from this section.

In response to a similar proposal from 2017, (HCS/HB 542, LR # 1038-03), officials from the **Department of Transportation**, **Department of Revenue**, **Department of Public Safety - Missouri Highway Patrol**, **Department of Labor and Industrial Relations** and **Department of Insurance, Financial Institutions and Professional Registration** each assumed the proposal would have no fiscal impact on their respective organizations.

§304.190

In response to a previous version (HCS/SB 225, LR # 0915-03), officials from the **Department of Transportation** assumed this proposal would have a negative impact of "Less than \$100,000" caused by the expansion of commercial zone limits.

ASSUMPTION (continued)

Truck moves that currently require oversize/overweight permits would no longer need a permit according to this proposal.

Oversight assumes the impact would be minimal to the Department of Transportation and will not reflect a direct fiscal impact from this proposal.

In response to a previous version (HCS/SB 225, LR # 0915-03), officials from the **Department of Revenue, Department of Labor and Industrial Relations, Department of Insurance, Financial Institutions and Professional Registration, Office of the State Courts Administrator and Department of Public Safety - Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a previous version (HCS/SB 225, LR # 0915-03), officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

§304.725

Oversight notes this section changes the law regarding combat decoration license plates.

In response to a similar proposal from 2017 (HB 805, LR # 1172-01), Officials from the **Department of Revenue (DOR)** stated the following regarding this proposal:

§304.725

Adds veterans who display Navy Cross, Distinguished Flying Cross, and Bronze Star special military license plates, along with Distinguished Service Cross, Air Force Cross, and Coast Guard Cross recipients, to parking provisions for those issued a placard.

Adds Distinguished Service Cross, Air Force Cross, and Coast Guard Cross recipients and those who have been issued Medal of Honor, Former POW, Purple Heart, Silver Star, Navy Cross, Distinguished Flying Cross, and Bronze Star special military license plates to veterans eligible to apply for and be issued a removable placard at no cost.

Adds Navy Cross, Distinguished Flying Cross, and Bronze Star special military license plates to related parking provisions.

ASSUMPTION (continued)

Administrative Impact

Motor Vehicle Bureau (MVB)

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$838 in FY 2018.
- The Application for Missouri Military Personalized License Plates (DOR-4601) will need to be revised. This will require 40 hours for a Management Analyst Specialist I at a cost of \$838 in FY 2018.
- The Department's website will need to be updated. This will require 10 hours for an Administrative Analyst III at a cost of \$226 in FY 2018.

Current applicants for the placard must submit proof of military eligibility and proof the corresponding military award was received by the applicant. It is assumed the Department will maintain the same requirements for issuance of the placard.

Since 2009 the Department has issued 220 "Bronze Star" placards to eligible applicants with 74 of them issued in FY 2016. There are currently 937 Bronze Star and Bronze Star of Valor special military license plates issued to eligible applicants, potentially 7.9% of eligible applicants obtained a Bronze Star placard in FY 2016.

This proposal would open the placard up to 2,884 additional eligible applicants. Applying the same percentage would mean 228 possible applicants in FY 2018.

Note: The 2,884 additional eligible applicants only accounts for the number of Medal of Honor, Former POW, Purple Heart, Silver Star, Navy Cross, and Distinguished Flying Cross special military license plates currently issued by the Department. Per the Missouri Veterans Commission, there is no mechanism to determine how many Missouri veterans were recipients of a specific award or medal. Therefore, the total number of eligible recipients of the Medal of Honor, Former POW, Purple Heart, Silver Star, Navy Cross, Distinguished Flying Cross, Distinguished Service Cross, Air Force Cross, and Coast Guard Cross in the state of Missouri is unknown, but could increase the overall number of applicants.

The current cost for the placard is \$.29 with a bulk order of 500 placards (the cost per placard decreases if the bulk order is larger). Assuming 228 additional placards issued in FY 2018 would result in an increased cost of \$55 in FY 2018 (10 Months), \$66 in FY 2019 and \$66 FY 2020.

ASSUMPTION (continued)

Administrative Impact (continued)

The Department would incur an additional postage cost for mailing the additional placards.

- Assuming an additional 228 applications per year at a cost of \$101 in FY 2018 (10 Months), \$121 in FY 2019, and \$121 in FY 2020 for envelopes (\$0.04) and postage (\$0.49).

This proposal may have an additional unknown impact on the Department due to increased number of transactions, phone, and email correspondences. If the volume is significant enough that it cannot be absorbed by existing staff, additional FTE(s) will be requested through the appropriation process.

DOR assumes a total cost of \$2,058 in FY 2018 and approximately \$200 per year thereafter.

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.

In response to a similar proposal from 2017 (HB 805, LR # 1172-01), officials from the **University of Central Missouri, University of Missouri, Metropolitan Community College, Northwest Missouri State University, Missouri State Technical College, Missouri State University** and **Missouri Western State University** each assumed the proposal would have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2018	FY 2019	FY 2020
	(10 Mo.)		
BLIND PENSION FUND			
<u>Additional revenue/Revenue reduction</u>	<u>\$0</u>	Unknown to	Unknown to
Change in assessment method for trucking enterprises (\$137.095)		<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE BLIND PENSION FUND	<u>\$0</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL GOVERNMENTS			
<u>Additional revenue/Revenue reduction</u>	<u>\$0</u>	Unknown to	Unknown to
Change in assessment method for trucking enterprises (§137.095)		<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0</u>	Unknown to	Unknown to
		<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses which own or operate qualified equipment under section 137.095.

License Offices could have a potential negative fiscal impact as a result of this proposal under section 301.136.

FISCAL DESCRIPTION

The proposed legislation would allow the assessed valuation of any tractor or trailer used in interjurisdictional commerce to be apportioned to Missouri based on the average per vehicle distance chart provided under the International Registration Plan.

This proposal provides that two-year and four-year educational institutions shall be eligible for the same types of signs.

This proposal allows a camping or fifth-wheel trailer more than 25 years old to be permanently registered upon payment of a \$52.50 fee. Upon the transfer of title, the plate must be returned to the Director of the Department of Revenue.

Any person possessing a license plate more than 25 years old in which the year of issuance of the plate matches the year the trailer was manufactured may register and use the plate as a historic trailer plate if the configuration of letters and numbers have not been issued to someone else. The owner of the historic trailer must keep the certificate of registration in the trailer at all times.

This proposal specifies that a veteran recipient of the Navy Cross, Distinguished Cross, Distinguished Service Cross, Air Force Cross, or Coast Guard Cross may be issued a special combat decoration license plate or removable windshield placard at no cost to the veteran.

FISCAL DESCRIPTION (continued)

Any individual who displays a placard may park his or her motor vehicle in a parking lot or garage on any public college or university in this state free of charge.

This act modifies motor vehicle length regulations to allow for operation of articulated buses of up to sixty feet in length, not including safety bumpers and bicycle storage racks.

In addition, this federal mandate bill makes changes to Missouri law to comply with the Fixing America's Surface Transportation Act of 2015. In its main provisions, the bill:

(1) Changes definitions for specified terms including "automobile transporter," which is now defined as any vehicle combination capable of carrying cargo on the power unit and designed and used for the transport of assembled motor vehicles, including truck camper units; "back-haul" is the return trip of a vehicle transporting cargo or general freight, especially when carrying goods back over all or part of the same route; "Boat transporter," is any vehicle combination capable of carrying cargo on the power unit and designed and used specifically to transport assembled boats and boat hulls and boats may be partially disassembled to facilitate transporting; "tow-away trailer transporter combination," is a combination of vehicles consisting of a trailer transporter towing unit and two trailers or semi-trailers, with a total weight that does not exceed 26,000 pounds; and in which the trailers or semi-trailers carry no property and constitute inventory property of a manufacturer, distributor, or dealer of such trailers or semi-trailers; "trailer transporter towing unit," is a power unit that is not used to carry property when operating in a tow-away trailer transporter combination;

(2) Changes the requirements for stinger-steered combination automobile transporters having a length not in excess of 85 may be operated on the interstate highways of this state and such other highways as may be designated by the commission for the operation of such vehicles plus a distance not to exceed 10 miles from such interstate or designated highway. All length provisions regarding stinger-steered automobile combination transporters are exclusive of front and rear overhang, which shall be no greater than a four-foot front overhang and no greater than a six-foot rear overhang; (3) Allows automobile transporters to transport cargo or general freight on a back-haul, in compliance with weight limitations for a truck-tractor and semitrailer combination as outlined in Section 304.180, RSMo;

(4) Requires any tow-away trailer transporter combination vehicle operated upon the interstate and designated primary highway system in this state to have an overall length of not more than 82 feet;

FISCAL DESCRIPTION (continued)

(5) Allows the commission to make specified exceptions regarding additional routes for use by 65 foot combinations, 75 foot stinger-steered combination boat transporters, 80 combination automobile transporters, or 75 foot saddle-mount combinations;

(6) Allows emergency vehicles designed to be used under emergency conditions to transport personnel and equipment and to mitigate hazardous situations to have a maximum gross vehicle weight of 86,000 pounds inclusive of 24,000 pounds on a single steering axle; 32,500 on a single drive axle; 62,000 on a tandem axle; or 52,000 on a tandem rear drive steer axle;

(7) Allows a vehicle operated by an engine fueled primarily by natural gas to operate on state highways in excess of the vehicle weight limits in these provisions by an amount that is equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system. The maximum gross vehicle weight of the vehicle operating with a natural gas engine shall not exceed 82,000 pounds; and

(8) Updates language to reflect the State Highways and Transportation Commission.

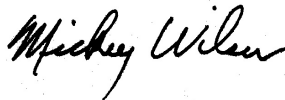
Part of this legislation is federally mandated. It would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Revenue
Department of Public Safety - Missouri Highway Patrol
Department of Insurance, Financial Institutions and Professional Registration
Office of the State Courts Administrator
Department of Labor and Industrial Relations
Joint Committee on Administrative Rules
Office of the Secretary of State
Office of Administration - Budget and Planning
Department of Economic Development
Office of Prosecution Services
Department of Corrections
Office of the State Public Defender
State Tax Commission
Callaway County

SOURCES OF INFORMATION (continued)

Forsyth R-III Schools
Kirksville School District
West Plains School District
Jackson County Election Board
Plate County Board of Elections
St. Louis County Directors of Elections
University of Central Missouri
University of Missouri
Metropolitan Community College
Northwest Missouri State University
Missouri State Technical College
Missouri State University
Missouri Western State University



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