

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0915-04
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 225
Subject: Buses; Motor Vehicles; Roads and Highways; Transportation
Type: Original
Date: June 6, 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 Other State Funds	\$0	Unknown to (Unknown)	Unknown to (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 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

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

Officials at the **Department of Revenue (DOR)** state 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)

- 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.

§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.

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 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 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 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.

ASSUMPTION (continued)

Administrative Impact (continued)

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.
- 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.

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.

ASSUMPTION (continued)

Administrative Impact (continued)

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.

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).

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

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.

In summary, DOR assumes a cost of **\$25,980.25** (\$838 + \$838 + \$838 + \$226 + \$293 + \$5,026 + \$17,921.25) in FY 2018.

ASSUMPTION (continued)

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.

§137.095

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.

Officials from the **State Tax Commission (TAX)** assume this proposal will have no fiscal impact on their organization. TAX officials advise 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.

Officials from the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Labor and Industrial Relations**, the **Department of Insurance, Financial Institutions and Professional Registration** and the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations.

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.

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).

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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>	<u>Unknown to (Unknown)</u>	<u>Unknown to (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.

FISCAL DESCRIPTION (continued)

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.

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;

FISCAL DESCRIPTION (continued)

(2) Changes the requirements for stinger-steered combination automobile transporters having a length not in excess of 85 feet 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;

(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 foot 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;

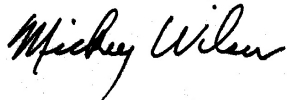
(7) Allows a vehicle operated by an engine fueled primarily by natural gas to operate on state highways in excess of the vehicle weight limits in these provisions by an amount that is equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried 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
State Tax Commission
Office of Administration - Budget and Planning



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