

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2067-02
Bill No.: SB 510
Subject: Crimes and Punishment; Motor Vehicles; Roads and Highways;
 Telecommunications; Transportation
Type: Original
Date: April 12, 2017

Bill Summary: This proposal modifies provisions relating to the operation of motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	Up to (\$729,624)	Up to (\$729,624)	Up to (\$729,624)
Total Estimated Net Effect on General Revenue	Up to (\$729,624)	Up to (\$729,624)	Up to (\$729,624)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Highway Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on Other State Funds	Less than \$100,000	Less than \$100,000	Less than \$100,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Federal Highway Funds	\$0 or (\$33,000,000)	\$0 or (\$66,000,000)	\$0 or (\$66,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or (\$33,000,000)	\$0 or (\$66,000,000)	\$0 or (\$66,000,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	Up to 14 FTE	Up to 14 FTE	Up to 14 FTE
Total Estimated Net Effect on FTE	Up to 14 FTE	Up to 14 FTE	Up to 14 FTE

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	Less than \$100,000	Less than \$100,000	Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** state the following regarding this proposal:

The provisions of subsections 2 and 3 of §304.820, are federally mandated by 49 CFR §383.51(c), which prohibits the use of cell phone and/or texting while operating a Commercial Motor Vehicle (CMV). Repealing §304.820 removes the specific CMV offenses, which will jeopardize Missouri's compliance with the federal Commercial Driver's License Program (49 CFR Part 384). Failing to comply with federal regulations would risk the loss of substantial federal highway funding to the state via withholding (49 CFR § 384.401), and could result in the decertification of Missouri's CDL program (49 CFR § 384.405). This could result in Missouri being unable to issue CDL credentials.

Failure to comply with federal regulations (49 CFR Part § 384) could result in the loss of Missouri's portion of federal highway funds, with the first year of non-compliance resulting in 5% reduction (approximately \$33 million), and each subsequent year subject to a 10% reduction (approximately \$66 million). Missouri may lose the ability to issue CDL's, if not federally compliant.

§304.012.2

This proposed legislation is further defining what actions may constitute operating a vehicle in a careless and imprudent manner.

§304.820

This section is being repealed in the proposal. The repeal includes the offenses prohibiting a person from driving a CMV while texting or using a hand-held mobile telephone. This could potentially jeopardize Missouri's compliance with the federal Commercial Driver Licensing Program, which may result in a loss of federal highway funds and decertification.

Administrative Impact

Driver License Bureau (DLB)

§304.012.2 is considered a primary law, which allows law enforcement the ability to stop a driver suspected of careless and imprudent driving. Since the definition of careless and imprudent driving is expanding, the volume of convictions received and processed by the Department may increase.

ASSUMPTION (continued)

Administrative Impact (continued)

The increase in convictions will result in an increase of point warning and suspension/revocation notices for the accumulation of points. This will result in more customers contacting the Department. There are no statistics available to determine exactly how many additional convictions will result from this proposal. If the volume is significant enough that it cannot be absorbed by existing staff, additional FTE(s) will be requested through the appropriation process.

FY 2018

- Requires the following:
- Updates to Forms
- Updates to Website
- Training of Staff

Management Analyst I - 40 hours @ \$20.94 per hour = \$838

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.

Oversight will range the fiscal impact of this proposal from \$0 (does not put Missouri out of compliance) to a loss of \$33 million in federal highway funds in FY 2018 and a loss of \$66 million in FY 2019 and FY 2020 (if it is found by the federal government that Missouri is out of compliance with the federal requirements for certification of Missouri's Commercial Motor Vehicle program).

Revenue Impact

The increase in reinstatement fees collected is unknown. The fees collected will be distributed 75% Highway Funds, 15% Cities, and 10% Counties.

Officials from the **Office of the State Public Defender (SPD)** stated in FY 2016, SPD provided representation in 220 cases where indigent persons were charged with careless and imprudent driving. If all of these activities are added to the definition of careless and imprudent driving, and the offense of the same is a new class B misdemeanor, the SPD caseloads would increase significantly. For every misdemeanor, 11.7 attorney hours are required. If there is an additional 2,500 cases, 14 new public defenders would be required ($2,500 \times 11.7 \text{ hours} / 2,080 = 14$). The average cost of an assistant public defender is \$52,116, making the cost \$729,624.

ASSUMPTION (continued)

Actual costs would be higher as this cost does not include any supplies, case costs or support staff. The 2,500 cases is only an estimate. There is no way to know the number of cases that would actually require representation.

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

Oversight notes since it is unknown how many additional convictions the proposal will result in (depending on enforcement by peace officers as well as actions by prosecutors and judges), Oversight will assume a "Less than \$100,000" impact to the Highway Fund, Cities and Counties for additional reinstatement fees as well as a "Less than \$100,000" impact to revenue to local political subdivisions for additional fine revenue.

Additional fine revenue received by local school districts may count as a deduction in the following year in determining their state aid apportionment, if the district is not a 'hold harmless' district. For simplicity, Oversight will only reflect the increase in fine revenue as a positive impact to local political subdivisions.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Cost - SPD - Additional public defenders to handle increased cases of careless and imprudent driving</u>	Up to <u>(\$729,624)</u>	Up to <u>(\$729,624)</u>	Up to <u>(\$729,624)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	Up to <u>(\$729,624)</u>	Up to <u>(\$729,624)</u>	Up to <u>(\$729,624)</u>
Estimated Net FTE change for General Revenue Fund	Up to 14 FTE	Up to 14 FTE	Up to 14 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2018 (10 Mo.)	FY 2019	FY 2020
HIGHWAY FUND			
<u>Revenue</u> - Reinstatement fees (75%)	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
FEDERAL HIGHWAY FUNDS			
<u>Loss</u> - DOR - Missouri out of compliance with federal requirements for its Commercial Motor Vehicle program	\$0 or <u>(\$33,000,000)</u>	\$0 or <u>(\$66,000,000)</u>	\$0 or <u>(\$66,000,000)</u>
ESTIMATED NET EFFECT ON FEDERAL HIGHWAY FUNDS	\$0 or <u>(\$33,000,000)</u>	\$0 or <u>(\$66,000,000)</u>	\$0 or <u>(\$66,000,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> - various local political subdivisions for tickets for careless and imprudent driving	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Revenue</u> - Cities Reinstatement Fees (15%)	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Revenue</u> - Counties Reinstatement Fees (10%)	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT TO THE LOCAL POLITICAL SUBDIVISIONS	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>

FISCAL IMPACT - Small Business

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

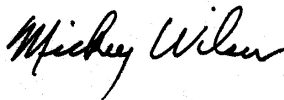
FISCAL DESCRIPTION

This act repeals the existing texting while driving statute, and modifies another statute requiring motorists to exercise the highest degree of care to expressly prohibit operation of a motor vehicle while using a cell phone or certain other devices, and while eating, performing grooming or hygiene tasks, or reading.

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 Transportation
Department of Public Safety - Missouri Highway Patrol
Office of Prosecution Services
Office of the State Public Defender
Office of the State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Department of Corrections



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April 12, 2017

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Assistant Director
April 12, 2017