

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5773-06
Bill No.: CCS for HCS for SS for SB 881
Subject: Transportation; Licenses - Driver's; Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: May 18, 2018

Bill Summary: This proposal modifies provisions relating to transportation.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|--------------------|-----------------|-----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| General Revenue | (\$300,607) | \$15,436 | \$15,436 |
| Total Estimated Net Effect on General Revenue | (\$300,607) | \$15,436 | \$15,436 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| Blind Pension Fund | \$0 | (Unknown) | (Unknown) |
| State Road Fund | Could exceed \$100,000 | Could exceed \$100,000 | Could exceed \$100,000 |
| Total Estimated Net Effect on <u>Other</u> State Funds | Could exceed \$100,000 | Could exceed \$100,000 | Could exceed \$100,000 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 23 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| Federal Motor Carrier Assistance Program Funds | \$0 or (Up to \$8,000,000) | \$0 or (Up to \$8,000,000) | \$0 or (Up to \$8,000,000) |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 or (Up to \$8,000,000) | \$0 or (Up to \$8,000,000) | \$0 or (Up to \$8,000,000) |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| 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 2019 | FY 2020 | FY 2021 |
| Local Government | \$0 | (Unknown) | (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.

§21.795

In response to a similar proposal from 2018 (HB 2268), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have a potential unknown positive impact less than \$100,000 per year on the Department. This proposal removes the statutory description of the report in section 21.795.2(1) RSMo. The proposal would instead require MoDOT to present copies of the Citizen's Guide to Transportation Funding in Missouri, the Financial Snapshot, and MoDOT Results: Accountability. Innovation. Efficiency.

Oversight will reflect a fiscal impact of "Less than \$100,000" to the State Road Fund for the savings MoDOT will incur from removing the required pieces of the report in statute and instead submitting a copy of the reports MoDOT has already been publishing.

§68.075

Oversight notes that the term "related facility" has been added to the definitions listed under the "Advanced Industrial Manufacturing Zones Act." Oversight assumes there will be no fiscal impact from this change.

§70.370

In response to a similar proposal from 2018 (Perfected HB 1809), officials at the **Missouri Department of Transportation**, the **Department of Economic Development** and the **Department of Revenue** each assumed no fiscal impact to their respective agencies from this proposal.

In response to a similar proposal from 2018 (Perfected HB 1809), officials at **St. Louis County** assumed no fiscal impact from this proposal.

ASSUMPTION (continued)

§§71.012 and 71.015

Oversight notes this section changes the law regarding annexation procedures. Oversight assumes there will be no fiscal impact from this section of the proposal.

§§137.010, 137.016 and 137.017

In response to a similar proposal from 2018 (HB 1806), officials at the **Office of Administration Division of Budget and Planning** assumed this bill clarifies when reliever airports can be classified for agricultural or horticultural use. If these changes lower property tax receipts, the state's Blind Pension Fund revenues could decrease by an unknown amount.

In response to a similar proposal from 2018 (HB 1806), officials at the **State Tax Commission** assumed an unknown fiscal impact. Currently "reliever " airports are assessed at the commercial rate of 32%, and this proposal would lower the assessed rate to 12%, which is the Agricultural rate and further limit to the productive use. The Agency would not have the data to determine how many such facilities would be impacted by this proposal, however the change to a lower rate of 12% would have an unknown fiscal impact on taxing jurisdictions such as cities, counties and school districts.

Oversight notes that this proposal would allow reliever airports to be taxed at the agricultural and horticultural property tax rate of 12% instead of their current 32% rate. According to the Federal Aviation Administration's National Plan for Integrated Airport Systems there are only five reliever airports in Missouri. They are:

Charles B Wheeler- Downtown Airport - Kansas City
Lees Summit Municipal Airport - Lees Summit
St. Charles County Smartt Field - St. Charles
Creve Coeur Airport - St. Louis
Spirit of St. Louis - St. Louis

Oversight notes that the counties where these airports are located may collect less property tax due to the change in assessment value or other taxed entities in the county may pay more in property taxes to make up for a reduction in assessment. Oversight will show an Unknown loss to the Counties as well as the Blind Pension Fund (which receives property tax income).

Oversight notes that this proposal would not be effective until August 28, 2018. Assessments are done in January of odd numbered years.

ASSUMPTION (continued)

Therefore, the new assessments would be used in January 2019. However, payment is not owed until December of 2019 (FY 2020). Oversight will show the impact starting in FY 2020.

In response to a similar proposal from 2018 (HB 1806), officials at the **Department of Agriculture, Department of Revenue and Missouri Department of Transportation** each assumed there is no fiscal impact from this proposal.

In response to a similar proposal from 2018 (HB 1806), officials at the **Boone County and St. Louis County** each assumed there is no fiscal impact from this proposal.

§§226.770 and 226.780

Oversight notes these sections allows state funds to be expended on recreational and rest areas to ensure compliance with certain federal regulations. Oversight assumes there will be no fiscal impact from this section of the proposal.

§227.240

In response to a similar proposal from 2018 (SB 598), officials from the **Department of Transportation and Department of Economic Development - Public Service Commission, Department of Economic Development - Office of Public Counsel and Department of Economic Development - Division of Energy** each assumed the proposal would have no fiscal impact on their respective organizations.

§227.601

In response to a similar proposal from 2018 (SB 1042), officials at the **Department of Economic Development** assumed no fiscal impact from this proposal.

In response to a similar proposal from 2018 (SB 1042), officials at **St. Louis County, the Platte County Board of Elections and the City of Kansas City** each assumed no fiscal impact to their respective entities from this proposal.

Oversight assumes concession agreements between the commission (the MO Highway and Transportation Commission) and a political subdivision would have no local fiscal impact without action by the governing body of the political subdivision which shall be subject to voter approval if required by law. Oversight will reflect a \$0 fiscal impact to Local Political Subdivisions.

ASSUMPTION (continued)

§§301.010, 301.020, 301.030, 301.074, 301.075, 301.130, 301.142, 301.140, 301.145, 301.350, 302.170 & 307.350

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

§301.010(27)

Changes the definition for "Local Log Truck".

§301.010(49)

Adds definition for "recreational trailer".

§301.020

Exempts autocycles as a type of vehicle for which the Department would be required to maintain odometer information.

§301.030

Provides that motorcycle or motortricycle registrations shall expire on June 30.

§301.055

Creates an autocycle registration fee of \$10.00.

Provides that the registration of an autocycle registered as a motorcycle or motortricycle prior to August 28, 2018 shall remain until the expiration, at which time the owner will be required to renew the item as an autocycle.

§301.074

Removes the limitation of one set Disabled Veteran license plates.

§301.075

Allows for the first set Disabled Veteran license plates to be at no fee, but any subsequent sets of plates issued will be subject to regular registration fees and the fee required for a personalized license plate.

§301.142

Provides that an individual who obtained disabled license plates that no longer lives with or owns a vehicle that is operated at least 50% of the time by a physically disabled person, must surrender the disabled license plates to the Department.

Also, a physician's statement for the procurement of disabled license plates is required every eight years.

§301.145

Allows for the Department to waive the \$15 personalization fee for Congressional Medal of Honor license plates.

§302.170.3(5)

Allows the Department to retain documents submitted by a commercial driver's license applicant who is active duty or retired military if the documents allow for waiver of the commercial driver's license knowledge test, skills test, or both.

§302.173.4

Allows individuals who have completed an approved Missouri Motorcycle Rider Training Course (MRTC) to obtain a motorcycle or motortricycle license or endorsement without the requirement of the practical knowledge or driving test for one year from the date of course completion.

§302.173.5

Allows individuals who have completed an approved military motorcycle rider training course to obtain a motorcycle or motortricycle license or endorsement without the requirement of the practical knowledge or driving test for one year from the date of course completion.

§304.005

Specifies that persons riding or operating an autocycle are not required to wear protective headgear.

§307.350

Proposes that a vehicle purchased from a motor vehicle dealer and a safety inspection was performed within sixty days of the purchase date, the new owner shall be able to utilize the safety inspection within thirty days after the sale of the vehicle.

Administrative Impact

The proposed legislation allows for issuance of a new "autocycle" registration at a fee of \$10.00. Currently, motor vehicles that are considered "autocycles" are issued a motortricycle registration and plate at a fee of \$10.00.

ASSUMPTION (continued)

Administrative Impact (continued)

The Department will be required to create new registration license plate category codes for the kind of vehicle (KOV) of "autocycle" which includes stock, stock personalized, and stock disabled license plates.

Currently, the Department can only issue one set of Disabled Veteran license plates to a qualified applicant. The applicant is not charged a fee for registration or the personalized plate. Under the proposed legislation, the first set of plates will remain at no fee. Any subsequent set of plates issued will be subject to the required registration fees and personalized plate fees.

The Department will be able to waive the \$15 personalization fee for Congressional Medal of Honor license plates. There are currently only two Congressional Medal of Honor license plates in use.

To implement the proposed legislation, the Department will be required to:

- Update procedures, specialty or military license plate charts, registration fee charts, correspondence letters, and the Department website;
- Work with MSHP to modify the Missouri driver guide to include the new definition of autocycle and information exempting operators or passengers of autocycles from wearing protective headgear (online and printed versions);
- Work with MSHP to modify the motorcycle manual to include the information exempting operators or passengers of autocycles from wearing protective headgear;
- Update the Application for Missouri Title and License (DOR-108);
- Update the Application for Motor Vehicle License (DOR-184);
- Update The General Affidavit (DOR-768);
- Update the Application for Missouri Military Personalized License Plates (DOR-4601);
- Update the Application for Missouri Personalized and Special License Plates (DOR-1716);
- Update the Uniform License Issuance Manual;
- Update the Missouri Driver Guide;
- Update the Commercial Driver License Manual;
- Update the Motorcycle Operator Guide;
- Update the Military Skills Test Waiver Application (DOR-5140);
- Update the Missouri Electronic Driver License system to allow imaging of documents;
- Update the permanent disabled placard renewal notice;
- Update the Physician's Statement for Disabled Person Plates/Placards (DOR-1776)

ASSUMPTION (continued)

Administrative Impact (continued)

- Update the Application for Disabled Person Placard (DOR-2769);
- Develop new plate type codes;
- Update the license plate rejection language;
- Update renewal notices and the titling manual;
- Amend and update administrative rules; and
- Complete programming and user acceptance testing of required systems.

FY 2019 - Motor Vehicle Bureau

| | | |
|-------------------------------------|-----------------------------|------------------|
| Management Analysis Spec I | 2250 hrs. @ \$18.42 per hr. | = \$ 41,445 |
| Administrative Analyst III | 20 hrs. @ \$19.43 per hr. | = \$ 389 |
| Administrative Office Support Asst. | 15 hrs. @ \$13.78 per hr. | = \$ 207 |
| Revenue Manager Band I | 80 hrs. @ \$25.05 per hr. | = \$ 2,004 |
| Total | | <u>\$ 44,045</u> |

FY 2019 - Driver License Bureau

| | | |
|-----------------------------|----------------------------|-------------------|
| Management Analysis Spec II | 195 hrs. @ \$20.57 per hr. | = \$ 4,011 |
| Administrative Analyst II | 160 hrs. @ \$17.13 per hr. | = \$ 2,741 |
| Revenue Manager Band I | 30 hrs. @ \$25.05 per hr. | = \$ 752 |
| Total | | <u>= \$ 7,504</u> |

FY 2019 - Personnel Services Bureau

| | | |
|----------------------------|----------------------------|-------------------|
| Management Analysis Spec I | 290 hrs. @ \$18.42 per hr. | = \$ 5,342 |
| Administrative Analyst III | 125 hrs. @ \$19.43 per hr. | = \$ 2,429 |
| Total | | <u>= \$ 7,771</u> |

Total Costs **\$ 59,320**

OA-ITSD services will be required at a cost of **\$313,470** (4,179.60 hours @ \$75 per hour) in FY 2019.

Plate manufacturing costs:

The Department pays \$3.75 per plate (\$7.50 per set) for manufacturing flat plates through Missouri Vocational Enterprises.

ASSUMPTION (continued)

Administrative Impact (continued)

Based on 2,416 additional sets of disabled veteran license plates issued, the cost to the Department equals \$15,100 (10 months) in FY 2019, \$18,120 in FY 2020, and \$18,120 in FY 2021.

Mailings:

The Department currently pays on average \$5.55 to ship a box of 10 sets of plates to the contract offices once they have completed the manufacturing processing. The cost to mail the boxes of additional plates to the contract offices would equal \$1,120 in FY 2019, \$1,343 in FY 2020, and \$1,343 in FY 2021.

Note: \$5.55 is an average cost, as the cost may decrease or increase based on the weight of the package, the area to which it is being sent and how many boxes are being sent at one time.

The Department would incur additional postage cost for mailing notifications to those applicants notifying them that their plates are ready for pick up at the respective license office. The cost for mailing notifications to applicants equals \$1,117 in FY 2019, \$1,341 in FY 2020, and \$1,341 in FY 2021. This cost includes \$0.04 for envelopes, \$0.025 for letters, and \$0.49 for postage.

FY 2019 - Mailing Cost to Dealers

The Department would need to notify 6,174 dealers regarding the change to the usage of a safety inspection at the cost of the Motor Vehicle Commission Fund.

| | |
|-----------------|--|
| 6,174 | Licensed Dealers |
| <u>x \$.025</u> | Cost per letter |
| \$ 154 | Cost for letters |
| 6,174 | Licensed Dealers |
| <u>x \$.04</u> | Cost per envelopes |
| \$ 247 | Cost for envelopes |
| 6,174 | Licensed Dealers |
| <u>x \$.49</u> | Postage per letter |
| \$3,025 | Cost for postage |
| \$3,426 | Total Cost for Letters and Mailings in FY 2019 |

ASSUMPTION (continued)

Administrative Impact (continued)

Permanent Disabled License Plates

There will be no change in the process of issuing or renewing permanent disabled license plates. Existing systems will be modified to require a physician's statement at renewal every eight years.

Permanent Disabled Placards

§301.142.11 requiring permanent disabled placards to be renewed every four years is not being changed.

It is assumed the Department would continue to require the renewal of permanent disabled placards every four years, however a new physician's statement will only be required every eighth year.

Motorcycle and Motortricycle Expiration Date Change

There will be new inventory that will need to be manufactured, and shipped to license offices to reflect the new expiration date. If the cost for the manufacturing and shipping of these new plates to license offices exceed what the Department can absorb, additional funds will be requested through the appropriations process to handle these costs.

In summary, DOR assumes a cost of \$393,553 ($\$59,320 + \$15,100 + \$1,120 + \$1,117 + \$3,426 + \$313,470$) in FY 2019, a cost of \$20,804 ($\$18,120 + \$1,343 + \$1,341$) in FY 2020 and FY 2021.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the costs related to this proposal; therefore, Oversight will reflect a fiscal impact of \$334,233 for IT services and mailing costs in FY 2019 and \$20,804 in FY 2020 and FY 2021. Oversight will not reflect the mailing costs associated with the Motor Vehicle Commission fund as it is minimal.

Revenue Impact

The applicant is required to pay the registration fees whether obtaining a disabled veteran plate or other type of plate. Therefore, the Department will not see an increase in registration fees collected.

ASSUMPTION (continued)

Revenue Impact (continued)

Assuming the applicant would not otherwise apply for another specialty or military license plate and pay the \$15*, there may be an increase in the amount of specialty plate fees collected and distributed to General Revenue.

There are currently 8,054 disabled veteran license plates currently in use. The average household owns 1.5 vehicles. This legislation will result in an increase of disabled veteran license plates issued. We are basing this response on 30% of applicants applying for an additional set of disabled veteran license plates, which will result in an additional 2,416 sets of disabled veteran license plates issued and an increase of \$36,240 fees collected.

| <u>FY 2019</u> (10 Months) | <u>FY 2020</u> | <u>FY 2021</u> |
|-------------------------------|----------------|----------------|
| \$30,200 | \$36,240 | \$36,240 |

*By way of example, if an applicant has a set of disabled veteran license plates on one vehicle and Army license plates on another vehicle (of which the \$15 is collected); then the applicant wants to replace the Army license plates with a second set of disabled veteran license plates, there will not be an increase in the \$15 collected.

If an applicant has a set of disabled veteran license plates on one vehicle and stock license plates on another vehicle (of which the \$15 is not collected); then the applicant wants to replace the stock license plates with a second set of disabled veteran license plates, there will be an increase in the \$15 collected.

There are currently only two "Congressional Medal of Honor" license plates in use. The revenue impact would be minimal to waive the \$15 personalization fee.

DOR notes there are approximately 148 military waiver applicants annually. The knowledge test fee is \$25. This proposal waives that fee, which will result in a loss of approximately \$3,700 per year. The loss of \$3,700 is distributed to the Highway Fund, Cities and Counties.

Oversight notes this will have a minimal impact on the Highway Fund, cities and counties as the revenue loss is not substantial.

ASSUMPTION (continued)

In response to a similar proposal from 2018 (HB 1389), officials from the **Department of Health and Senior Services** assumed changing the current legislation to no longer require individuals operating or riding in autocycles to wear protective headgear will increase the number of individuals incurring a traumatic brain injury, resulting in an increase in participants requesting services through the following programs: Adult Brain Injury (ABI), Children and Youth with Special Health Care Needs (CYSHCN), Healthy Children and Youth (HCY), and Medically Fragile Adult Waiver (MFAW).

The ABI program serves participants age 21 through 64 and the average annual cost per participant is \$3,737. Both the CYSHCN and HCY programs serve participants under the age of 21, with the average annual cost of \$730.05 per CYSHCN participant and \$24,970.82 per HCY participant. The MFAW program serves individuals 21 and older with an annual cost per participant of \$99,448.46. Also both HCY and MFAW are partially federally funded at 65.203 percent federal and 34.797 percent state Medicaid match (FY 2019 FMAP rate).

While the cost per participant is known, the lack of data specific to autocycle crash injuries and the use of protective headgear while operating or riding in an autocycle is unknown, resulting in an unknown negative fiscal impact to these Division of Community and Public Health programs.

In response to a similar proposal from 2018 (HB 1389), officials from the **Department of Mental Health** assumed Section 301.010 is amended to add the definition of an "autocycle". The term "autocycle" is defined in the proposed legislation as a three-wheeled motor vehicle which the drivers and passengers ride in a partially or completely enclosed nonstraddle seating area, that is designed to be controlled with a steering wheel and pedals.

Section 304.005 would allow that a person operating or riding in an autocycle shall not be required to wear protective headgear.

Currently, the Division of Developmental Disability (DD) waiver programs eligibility requirements mandate that a diagnosis of developmental disability be assigned prior to the age of 22 for inclusion into a waiver program, except for an intellectual disability, which must be assigned prior to the age of 18.

This proposal would allow for expansion of the number of eligible DD Medicaid Waiver participants, in that riders 16 to 21 years of age could sustain a traumatic brain injury (TBI) while operating or riding in an autocycle without protective headgear, thereby potentially qualifying them for DD waiver services.

ASSUMPTION (continued)

DD estimates an average cost per day of \$380 (\$138,700 / yr.) for residential services. Utilizing the methodology below, it is estimated that an increased cost of \$1,254,838 per year could occur.

This estimate could also rise and fall based on the federal FMAP for DMH Medicaid waiver services.

Data from the Missouri State Highway Patrol, United States Census Bureau, Centers for Disease Control, and fiscal data from the Division of Developmental Disabilities were utilized to arrive at an estimated fiscal impact.

For this analysis, the DMH assumes riders sixteen to twenty one years of age may elect to not wear protective headgear given Section 304.005.2's language.

Data from the Missouri State Highway Patrol includes three wheel vehicles but not mopeds or all-terrain vehicles (ATVs). It appears the statistics used do include three wheel vehicles and therefore, it is assumed autocycle is included in this data.

Crash Rates

The Missouri State Highway Patrol reports 1,683 personal injury motorcycle crashes in 2005, injuring 1,978 people. By 2012, those figures had risen to 2,065 and 2,404 respectively (Missouri State Highway Patrol, 2014).

The State's eight-year average for motorcycle crashes between 2005 and 2012 is 1,854 and 2,165 for persons injured (Missouri State Highway Patrol, 2014). In 2011 and 2012, the number of crashes increased 9% over each preceding year.

Based on available data, projections indicate Missouri will have experienced an average of 2,148 motorcycle crash injuries per year between 2016 and 2020.

State Demographics

The United States Census Bureau estimates that in 2016 the percentage of persons aged 16 to 21 years old residing in Missouri comprised 7.9% of the total state population, or 481,254 persons out of 6,093,000 (US Census Bureau, release date June 2017).

Head Injury Rate of Occurrence

The Centers for Disease Control reports an incidence rate for head injury requiring hospitalization of 81.2 per 100,000 people aged 16 to 22 (Centers for Disease Control, 2014).

ASSUMPTION (continued)

Comparing this data to the census data previously discussed yields an estimate of 391 persons aged 16 to 21 per year in Missouri who will experience a head injury requiring hospitalization (persons aged 16 to 21 in MO / CDC unit of measurement x CDC incidence rate).

DD Community Placements & Cost Estimate

In 2017, the Division of DD admitted 66 individuals with head injuries.

DD estimates an average cost per day of \$380 (\$138,700/yr.) for residential services. The state share of this cost in FY 2019 is \$48,263 ($\$138,700 \times 34.797\%$ state share = \$48,263).

Estimated Annual Fiscal Impact-

Assuming a 15% rate of TBI incidence due to autocycle crashes for each year between 2018 and 2022 for individuals aged 16 to 21 in Missouri, a total of 130 additional individuals or 26 people per year could become eligible for DD waiver services.

Utilizing the Division of DD's cost estimates for FY 2019, this represents an annual increased cost to the DMH of \$1,254,838 of general revenue per year ($\$48,263 \times 26 = \$1,254,838$).

In response to a similar proposal from 2018 (HB 1389), officials from the **Department of Social Services** assumed there are two categories of individuals who could sustain severe traumatic brain injuries (TBI) which could result in increased MO HealthNet expenditures.

- 1) Individuals who are privately insured at the time of the accident, but sustain severe TBI and are unable to meet the higher premiums charged by private health insurance plans or are forced to spend down resources and become eligible for Medicaid because of their disability.
- 2) Individuals who are Medicaid recipients at the time of the accident and sustain severe TBI.

There is currently little information on the utilization of autocycles. In order to estimate the number of individuals who are Medicaid recipients at the time of an autocycle accident that also sustain TBI, Missouri Healthnet Division (MHD) used information provided by the Missouri State Highway Patrol on non-fatal motorcycle accidents.

The Missouri State Highway Patrol reported 1,979 non-fatal injured persons resulting from motorcycle crashes in 2014.

For the purposes of this fiscal note MHD assumes 14% of the 1,979 are related to persons on autocycles or 277 injured persons. MHD assumes 95% of the injured persons were age 18 or older ($99 \times 95\% = 94$) and all individuals were meeting the current state law requiring helmet use.

ASSUMPTION (continued)

Based on crash statistics from the National Highway Transportation and Safety Administration, 4.7% of helmeted motorcyclists involved in a crash suffered from severe TBI whereas 7.3% of unhelmeted motorcyclists suffered from severe TBI. Therefore, MHD assumes 6.8 persons sustained severe TBI injuries in 2014 (most current data available) as a result of crashes while wearing helmets and riding autocycles.

The number of autocylists is assumed to be a much lower percentage of the driving population than motorcyclists. Without specific information on autocylists, MHD assumes the number of autocylists is 14% of the number of motorcyclists. Therefore, it is estimated that 6.8 individuals will sustain severe TBI as a result of autocylist accidents with no helmets.

1) MHD assumes that of these 6.8 individuals, 30% will ultimately spend down their resources and qualify for Medicaid, and will be classified as totally and permanently disabled (PTD). MHD assumes that some individuals would qualify more quickly than others. MHD assumes that of those individuals with new TBIs, 15% would qualify within the first year, 22.5% would qualify within the second year, and 30% would ultimately qualify within three years.

Based on these assumptions, MHD assumes 1 new permanently and totally disabled (PTD) person in FY 2019, 2.6 in FY 2020, and 4.6 in FY 2021. In addition, MHD assumes that TBIs will be life-long injuries; therefore, the number of individuals being served under Medicaid will continue to compound.

2) MHD further assumes that of the 6.8 individuals annually sustaining severe TBI as a result of autocylist TBI, 8.54% (based on current Medicaid recipients ages 18-64 divided by the general Missouri population ages 18-64) will be Medicaid recipients at the time of the accident, or .6 individuals.

Based on a 2013 report issued by the Arkansas Spinal Cord Commission, the average acute care Medicaid costs for TBI was \$15,783 (average from 2007-2012). This initial cost was inflated by a three year average Hospital Market Basket Trend from SFY 2010 through SFY 2017. Therefore, the initial hospitalization cost is estimated to be \$20,182 per person in FY 2019.

The one-time acute care costs are in addition to the annual cost to care for a person with TBI.

The average cost for a custodial parent (based on FY 2017 expenditures) is \$5,732. MHD assumes annual expenditures will increase to the PTD level for an annual increase of \$10,047 per person sustaining a TBI. This amount is trended annually by 3.8%. MHD estimates the annual costs for caring for an individual with TBI will be \$2,009 ($\$10,047 * .2$ individuals each year).

ASSUMPTION (continued)

The total annual cost for individuals who are Medicaid recipients at the time of the accident is \$6,045 (\$4,036 + \$2,009). MHD assumes that TBIs will be life-long injuries; therefore, the number of individuals being served under Medicaid will continue to compound.

In response to a similar proposal from 2018 (HB 1389), officials from the **Department of Transportation** assumed the proposal would have no fiscal impact on their organization.

In response to a similar proposal from 2018 (HB 1389), officials at the **Office of the State Courts Administrator** assumed the fiscal impact of this proposal is unknown. There may be some impact but there is no way to quantify the impact at this time. Any significant changes will be reflected in future budget requests.

In response to a similar proposal from 2018 (HB 1389), officials from the **Department of Public Safety - Missouri Highway Patrol** assumed the proposal would have no fiscal impact on their organization.

Oversight assumes some people 18 and over could choose not to wear protective headgear as a result of this proposal. Accordingly, there may be an increase in injuries or the severity of injuries to autocyclists not wearing protective headgear which may **indirectly** result in increased costs to the state. Oversight assumes no **direct** fiscal impact to state and local governments from the protective headgear exemption.

Oversight also assumes the Department of Health and Senior Services and the Department of Mental Health will request increased appropriations depending on the actual increases in TBI paid for by the state.

§304.060

Oversight notes this section allows school boards in urban districts with greater than 300,000 inhabitants the option to contract with other agencies for additional transportation services to transport high school students.

In response to a similar proposal from 2018 (HCS No. 2 for SS No. 2 for SCS for SB 1050), officials from the **Department of Elementary and Secondary Education** assumed the proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

§304.180

In response to a similar proposal from 2018 (SB 683), officials from the **Department of Transportation** assumed the proposal would have an unknown fiscal impact on their organization.

The base fee for a single trip permit for cranes, concrete pumps and well drilling equipment is \$15. If the load is overweight, the charge is the base fee of \$15, plus \$20 for each 10,000 lbs. or portion thereof over legal gross weight for the particular configuration. The fee for an annual blanket for concrete pump or well drilling equipment is \$300. Blanket permits are pro-rated quarterly. Below is a chart showing the number of permits issued and the total fees collected for the period of November 1, 2016 through November 30, 2017.

| Type | Total Number of Permits Issued | Total Fees Collected |
|---|--------------------------------|----------------------|
| Concrete Pump (single trip and blanket permits) | 449 | \$200,361 |
| Well Drilling Equipment (blanket*) | 19 | \$3,391 |
| Crane (single trip) | 7,096 | \$726,384 |
| Total | 7,564 | \$930,136 |

* No single trip permits for well drilling equipment were issued.

The fiscal impact of this proposal is unknown at this time due to the following reasons:

- The price of the blanket permit for cranes will not be determined until after the bill passes, as the bill leaves this up to the Highways and Transportation Commission.
- The parameters of the size, weight and dimensions of which cranes will be allowed to purchase blanket permits is unknown until the bill passes and the parameters are decided upon. Some cranes will be of a size or weight that will most likely require individual trip permits and others can obtain the yearly blanket permit.

ASSUMPTION (continued)

In response to a similar proposal from 2018 (SB 683), officials from the **Department of Revenue** and **Office of Administration - Facilities Management, Design and Construction** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight will reflect the fiscal impact of this proposal as a positive “Unknown” to the State Road Fund as the number of permits and the dollar amount of the annual permits is unknown until the Highways and Transportation Commission makes those determinations. Oversight assumes the Commission will set the annual rate to equal or exceed the revenue collected for single trip permits.

§304.232

In response to a similar proposal from 2018 (HCS No. 2 for SS No. 2 for SCS for SB 1050), officials from the **Department of Transportation** assumed this amendment would affect the Motor Carrier Assistance Program (MCSAP) grant program with the Federal Government.

Non-compliance with it, as this amendment possibly causes, would result in a loss of approximately \$8 million in federal funds used to conduct roadside inspections, plus compliance audits within MoDOT's Motor Carrier Services Division. MoDOT awaits response from the federal government regarding the safety inspection restriction.

MoDOT receives approximately \$8 million per year in MCSAP funds, much of which goes to law enforcement agencies.

Oversight will range the fiscal impact of this amendment from \$0 (Missouri not out of compliance with federal motor carrier regulations) to a loss of up to \$8 million each fiscal year (if Missouri is found to be out of compliance with federal motor carrier regulations).

§307.175

In response to a similar proposal from 2018 (SS #2 for SCS for SB 1050), officials from the **Department of Transportation** and **Department of Public Safety - Missouri Highway Patrol** each assumed the section would have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

§307.350

Oversight notes this section states that if a vehicle was purchased from a motor vehicle dealer and a valid inspection had been made within sixty days of the purchase date, the new owner shall be able to utilize an inspection performed within ninety days prior to the application for registration or transfer. Oversight assumes there will be no fiscal impact from this section.

| <u>FISCAL IMPACT - State Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|--|---------------------------|-------------------------|-------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Revenue</u> - DOR - increase in license plate fees for disabled veteran plates (§§301.074 & 301.075) p. 12 | \$30,200 | \$36,240 | \$36,240 |
| <u>Cost</u> - DOR - IT services p. 9 | (\$313,470) | \$0 | \$0 |
| <u>Cost</u> - DOR - disabled veteran license plates (§§301.074 & 301.075) p. 10 | (\$15,100) | (\$18,120) | (\$18,120) |
| <u>Cost</u> - DOR - mailing costs (§§301.074 & 301.075) p. 10 | <u>(\$2,237)</u> | <u>(\$2,684)</u> | <u>(\$2,684)</u> |
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | <u>(\$300,607)</u> | <u>\$15,436</u> | <u>\$15,436</u> |
| BLIND PENSION FUND | | | |
| <u>Revenue Reduction</u> - changing reliever airports property assessment rate (§§137.010, 137.016 and 137.017) p. 4-5 | <u>\$0</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON THE BLIND PENSION FUND | <u>\$0</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |

| | | | |
|--|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> (continued) | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|--|---------------------|---------|---------|

STATE ROAD FUND

| | | | |
|---|---------|---------|---------|
| <u>Revenue</u> - MoDOT - addition of annual permits for construction cranes (§304.180) p. 18-19 | Unknown | Unknown | Unknown |
|---|---------|---------|---------|

| | | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| <u>Savings</u> - MoDOT - submission of reports already being published (§21.795) p. 3 | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> |
|---|-------------------------------|-------------------------------|-------------------------------|

| | | | |
|--|--|--|--|
| ESTIMATED NET EFFECT ON THE STATE ROAD FUND | Could exceed <u>\$100,000</u> | Could exceed <u>\$100,000</u> | Could exceed <u>\$100,000</u> |
|--|--|--|--|

FEDERAL MOTOR CARRIER ASSISTANCE PROGRAM FUNDS

| | | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| <u>Loss</u> - MoDOT - Missouri potentially out of compliance with federal motor carrier regulations (§304.232) p. 19 | \$0 or (Up to <u>\$8,000,000</u>) | \$0 or (Up to <u>\$8,000,000</u>) | \$0 or (Up to <u>\$8,000,000</u>) |
|--|---------------------------------------|---------------------------------------|---------------------------------------|

| | | | |
|---|--|--|--|
| ESTIMATED NET EFFECT ON FEDERAL MOTOR CARRIER ASSISTANCE PROGRAM FUNDS | <u>\$0 or (Up to \$8,000,000)</u> | <u>\$0 or (Up to \$8,000,000)</u> | <u>\$0 or (Up to \$8,000,000)</u> |
|---|--|--|--|

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|---|---------------------|---------|---------|

LOCAL POLITICAL SUBDIVISION FUNDS

| | | | |
|--|------------|------------------|------------------|
| <u>Revenue Reduction</u> - changing reliever airports property assessment rate (§§137.010, 137.016 and 137.017) p. 4-5 | <u>\$0</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|--|------------|------------------|------------------|

| | | | |
|---|-------------------|-------------------------|-------------------------|
| ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS FUNDS | <u>\$0</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|---|-------------------|-------------------------|-------------------------|

FISCAL IMPACT - Small Business

Small crane businesses could be impacted by this proposal (§304.180).

FISCAL DESCRIPTION

This legislation modifies provisions of law relating to transportation.

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 Administration - Facilities Management, Design and Construction
Office of Administration - Budget and Planning
Department of Economic Development - Public Service Commission
Department of Economic Development - Office of Public Counsel
Department of Economic Development - Division of Energy
Department of Economic Development - Business and Community Services
Department of Agriculture
City of Kansas City
Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Department of Elementary and Secondary Education
St. Louis County
Boone County
State Tax Commission
St. Louis County
Platte County Board of Elections

Ross Strobe



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