

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5773-06
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SS for SB 881
Subject: Transportation; Licenses - Driver's; Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: June 26, 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	(\$197,656)	\$15,436	\$15,436
Total Estimated Net Effect on General Revenue	(\$197,656)	\$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 25 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

§21.795

Officials from the **Department of Transportation (MoDOT)** assume 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.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section changes the reporting requirements of the Joint Committee on Transportation Oversight. B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

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

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section adds a definition for "related facility" to the AIM Zone Act. B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

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

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section adds Franklin County to the "Bi-State Metropolitan Development District". B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

ASSUMPTION (continued)

Officials at the **Missouri Department of Transportation**, the **Department of Economic Development** and the **Department of Revenue** each assume no fiscal impact to their respective agencies from this proposal.

§§71.012 and 71.015

Officials from the **Office of Administration - Budget and Planning (B&P)** assume these sections would expand the definition of "contiguous and compact" in relation to annexation. B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

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

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume 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. Therefore, B&P estimates that this provision may have a negative impact on TSR. This provision will also impact the calculation under Article X, Section 18(e).

Officials at the **State Tax Commission** assume 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:

ASSUMPTION (continued)

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.

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.

§§226.770 and 226.780

Officials from the **Office of Administration - Budget and Planning (B&P)** assume these sections would allow state funds to be used for certain interstate highway uses. B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

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

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 assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section creates requirements for utility corridors. B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

ASSUMPTION (continued)

§227.601

Officials at the **Department of Economic Development** assume no fiscal impact from this proposal.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume This section would allow political subdivisions to enter into concession agreements with the MO Highway and Transportation Commission, in order to carry out public-private partnership projects. This section does not authorize such project to include toll roads or bridges. B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

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.

§§301.010, 301.020, 301.030, 301.074, 301.075, 301.130, 301.140, 301.142, 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(39)

Changes the definition for "Motortricycle".

§301.020

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

Removes references to a vehicle inspection report in regards to the Department retaining odometer information and requires the owner of the vehicle to provide the odometer reading.

ASSUMPTION (continued)

§301.030

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

§301.055

Creates an autocycle registration fee of \$10.00.

§301.074

Removes the limitation of one set Disabled Veteran license plates. Removes reference to a vehicle inspection report in regards to 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.

§301.130

Requires autocycles to be registered and issued one license plate to be displayed on the rear of the vehicle, either horizontally or vertically.

§301.140

Requires temporary permits be surrendered to the Department at the time of proper registration of plates.

Repeals the sunset clause provision of July 1, 2019 which allows the Department to continue to issue temporary permits.

§301.142

Changes the provisions related to permanent disabled license plates and placards to require surrender of disabled license plates or placard within thirty days under certain circumstances.

Changes the physician's statement requirement for disabled license plates and permanent disabled placards from every four years to every eight years.

§301.145

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

ASSUMPTION (continued)

§301.350

Creates a category for autocycles in the current motor vehicle record keeping provisions.

§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.

§302.173.5

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.

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.

ASSUMPTION (continued)

Administrative Impact (continued)

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)
- 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.

ASSUMPTION (continued)

Administrative Impact (continued)

FY 2019 - Motor Vehicle Bureau

Management Analysis Spec I	1530 hrs. @ \$18.42 per hr.	= \$ 28,813
Administrative Analyst III	10 hrs. @ \$19.43 per hr.	= \$ 194
Total		\$ 28,377

FY 2019 - Driver License Bureau

Management Analysis Spec II	175 hrs. @ \$20.57 per hr.	= \$ 3,600
Administrative Analyst II	160 hrs. @ \$17.13 per hr.	= \$ 2,741
Revenue Manager Band I	20 hrs. @ \$25.05 per hr.	= \$ 501
Total		= \$ 6,842

FY 2019 - Personnel Services Bureau

Management Analysis Spec I	225 hrs. @ \$18.42 per hr.	= \$ 4,145
Administrative Analyst III	85 hrs. @ \$19.43 per hr.	= \$ 1,652
Total		= \$ 5,797

Total Costs **\$ 41,016**

OA-ITSD services will be required at a cost of **\$210,519** (3,418.20 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.

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.

ASSUMPTION (continued)

Administrative Impact (continued)

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

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.

ASSUMPTION (continued)

Administrative Impact (continued)

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 \$272,298 ($\$41,016 + \$15,100 + \$1,120 + \$1,117 + \$3,426 + \$210,519$) 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 \$231,282 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.

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.

ASSUMPTION (continued)

Revenue Impact (continued)

<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.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume these sections make multiple changes to motor vehicle license and registration requirements.

Section 301.055 creates an autocycle registration fee of \$10.00, B&P notes that autocycles are currently registered as mototricycles with a fee of \$10.00. Therefore, B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

Sections 301.074 and 301.075 would allow multiple disable veteran license plates to be purchased, with the first set available at no cost. Currently, only one set of disabled license plates is allowed to be purchased at the regular personalized license plate fee. Section 301.145 waives the personalized license plate fee for Congressional Medal of Honor license plates. B&P defers to DOR for more specific information on these provisions. However, B&P notes that these provisions will impact TSR and the calculation under Article X, Section 18(e).

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services** assume 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.

Officials from the **Department of Mental Health** assume Section 301.010 is amended to add the definition of an "autocycle". The term "autocycle" is defined in the 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, and that has met applicable Department of Transportation National Highway Traffic Safety Administration requirements or Federal Motorcycle Safety Standards.

Section 304.005.2 is amended to exclude autocycle operators or passengers from protective headgear requirements. Subsection 2 now reads, "Notwithstanding subsection 2 of section 302.020, a person operating or riding in an autocycle may not be required to wear protective headgear."

In addition, the bill amends the definition of "motortricycle" in Section 301.010. A "motortricycle" is defined as "a motor vehicle upon which the operator straddles or sits astride that is designed to be controlled by handle bars...." Section 301.055.1 creates an autocycle registration fee of \$10.00. Section 301.055.2 allows for any autocycle registered as a motorcycle or motortricycle prior to August 28, 2018, to remain in effect until the expiration of the registration period, at which time the owner will be required to renew the motor vehicle's registration under the autocycle classification and pay the appropriate registration fee.

ASSUMPTION (continued)

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.

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.

On previous responses, our estimated fiscal impact covered all of the motorcycle population, not taking into account that the autocycle population would be a much smaller subset of that population. Originally we projected 26 individuals per year would become eligible for DD waiver services. Of this number, and to be consistent with other agency responses within the fiscal note, DMH further assumes the number of autocyclists is only 14% of motorcyclists, which is approximately 4 individuals per year.

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).

ASSUMPTION (continued)

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).

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 autocyycle 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. Of this number, and to be consistent with other agency responses within the fiscal note, DMH further assumes the number of autocyyclists is only 14% of motorcycyclists, which is approximately 4 individuals per year that 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 \$193,052 of general revenue per year ($\$48,263 \times 4 = \$193,052$).

ASSUMPTION (continued)

Officials from the **Department of Social Services** assume 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.

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 autocyclists is assumed to be a much lower percentage of the driving population than motorcyclists. Without specific information on autocyclists, MHD assumes the number of autocyclists is 14% of the number of motorcyclists. Therefore, it is estimated that 6.8 individuals will sustain severe TBI as a result of autocycle 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.

ASSUMPTION (continued)

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 autocycle 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).

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.

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.

ASSUMPTION (continued)

§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.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section would allow certain school districts to contract with a governmental entity in order to transport school children. B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

§304.180

Officials from the **Department of Transportation** assume the proposal will 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.

ASSUMPTION (continued)

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.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section would require the transporting of cranes to receive a single-use special permit from the Department of Transportation. B&P defers to the Department of Transportation for specific information on this provision. However, B&P notes that if this provision leads to an increase the amount of fees collected it could increase TSR and impact the calculation under Article X, Section 18(e).

Officials from the **Department of Revenue** and **Office of Administration - Facilities Management, Design and Construction** each assume the proposal will 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

Officials from the **Department of Transportation** assume this section will 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.

ASSUMPTION (continued)

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

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume this section would prohibit commercial vehicle enforcement personnel from inspecting commercial motor vehicles on the shoulder of any roadway that has a speed limit in excess of 40 mph, except that safety inspections may be permitted on the shoulder at any exit and entrance of such highway where there is adequate space on the shoulder to safely perform such inspection. Prohibiting enforcement personnel from performing roadside inspections on Missouri's high crash corridors would take the state and the Patrol out of compliance with the Federal Motor Carrier Safety Regulations, not to mention it could possibly jeopardize the safety of the motoring public. This would make the Patrol ineligible for approximately \$2.3 million in Motor Carrier Safety Assistance Program (MCSAP) grant funds. The dollar amount varies slightly from year to year.

This would also affect 7 FTE, as their salaries and fringe benefits are fully funded by the MCSAP grant.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section no longer allows safety inspections to occur on the side of highways with speed limits greater than 40 miles per hour. B&P defers to the Department of Transportation for more specific information on this provision.

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

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section adds equipment and leased vehicles and equipment to the list of vehicles allowed to have flashing lights. This section also limits the number of vehicles and equipment allowed to have flashing lights in work zones. B&P estimates that this provision will not impact TSR or the calculation under Article X, Section 18(e).

Officials from the **Department of Transportation** and **Department of Public Safety - Missouri Highway Patrol** each assume the section will 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.

Bill as a Whole

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Natural Resources, Missouri Department of Conservation, Department of Agriculture, Office of the State Treasurer, Missouri House of Representatives, St. Louis County, the City of Kansas City and the City of Columbia** 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.

Officials from the **Missouri Senate** assume that any potential costs can be absorbed using existing resources.

<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. 13	\$30,200	\$36,240	\$36,240
<u>Cost</u> - DOR - IT services p. 10	(\$210,519)	\$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. 11	<u>(\$2,237)</u>	<u>(\$2,684)</u>	<u>(\$2,684)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$197,656)</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>
STATE ROAD FUND			
<u>Revenue</u> - MoDOT - addition of annual permits for construction cranes (§304.180) p. 19-20	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>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2019 (10 Mo.)	FY 2020	FY 2021
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FEDERAL MOTOR CARRIER ASSISTANCE PROGRAM FUNDS

<u>Loss - MoDOT - Missouri potentially out of compliance with federal motor carrier regulations (§304.232) p. 20-21</u>	\$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>)
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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>
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<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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LOCAL POLITICAL SUBDIVISION FUNDS

<u>Revenue Reduction - changing reliever airports property assessment rate (§§137.010, 137.016 and 137.017) p. 4-5</u>	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS FUNDS	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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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
Department of Natural Resources
Missouri Department of Conservation
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Treasurer
Missouri House of Representatives
Missouri Senate
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
State Tax Commission
City of Columbia

Ross Strobe



Acting Director
June 26, 2018