

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0387-09
Bill No.: Truly Agreed To and Finally Passed CCS No. 2 for HCS for SCS for SB 147
Subject: Licenses - Motor Vehicle; Motor Vehicles
Type: Original
Date: June 25, 2019

Bill Summary: This legislation enacts provisions relating to motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
General Revenue	Could exceed (\$668,642) to (\$1,079,021)	Could exceed (\$119,086) to (\$360,981)	Could exceed (\$120,470) to (\$764,406)	Could exceed (\$121,879) to (\$365,815)
Total Estimated Net Effect on General Revenue	Could exceed (\$668,642) to (\$1,079,021)	Could exceed (\$119,086) to (\$360,981)	Could exceed (\$120,470) to (\$764,406)	Could exceed (\$121,879) to (\$365,815)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 58 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Brain Injury Fund (0742)	(\$833)	(\$1,000)	(\$1,000)	(\$1,000)
Highway Fund (0644)	\$1,920,560 to \$22,831,287	\$1,889,336 to \$27,411,159	\$1,889,336 to \$27,411,159	\$1,889,336 to \$27,411,159
Highway Patrol Inspection Fund (0297)	(More than \$143,757) to (\$294,289)	(More than \$287,514) to (\$588,578)	(More than \$287,514) to (\$588,578)	(More than \$287,514) to (\$588,578)
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,625,438 to \$22,686,697	\$1,299,758 to \$27,122,645	\$1,299,758 to \$27,122,645	\$1,299,758 to \$27,122,645

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
General Revenue	2 to 9 FTE	2 to 5 FTE	2 to 5 FTE	2 to 5 FTE
Highway Fund	0 to (7 FTE)	0 to (7 FTE)	0 to (7 FTE)	0 to (7 FTE)
Total Estimated Net Effect on FTE	2 or (1) to 9 FTE	2 or (2) to 5 FTE	2 or (2) to 5 FTE	2 or (2) to 5 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 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Local Government	\$1,390,290 to \$8,180,592	\$1,616,152 to \$9,765,917	\$1,616,152 to \$9,765,917	\$1,616,152 to \$9,765,917

FISCAL ANALYSIS

ASSUMPTION

§32.056 - Department of Corrections' Employees and Confidentiality of Motor Vehicle Records

Officials at the **Department of Revenue (DOR)** assume the following regarding this legislation:

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

- Update procedures, forms, correspondence letters, and the Department website; and
- Train staff.

FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	120 hrs. @ \$18.42 per hr.	= \$2,210
----------------------------	----------------------------	-----------

FY 2020 - Driver License Bureau

Management Analysis Spec II	25 hrs. @ \$20.57 per hr.	= \$ 514
Revenue Manager	20 hrs. @ \$20.59 per hr.	= \$ 412
Total		= \$ 926

FY 2020 - Personnel Services Bureau

Administrative Analyst III	30 hrs. @ \$19.43 per hr.	= \$ 583
Management Analysis Spec I	15 hrs. @ \$18.42 per hr.	= \$ 276
Total		= \$ 859

Total Cost = **\$3,995**

Through conversations with the Missouri Department of Corrections, Missouri has a total of 4,946 corrections officers that would fall under this legislation.

This legislation will result in an increase of confidential record transactions processed by the Department. The Department anticipates being able to absorb the increase in transactions processed and therefore there will be no impact. If the increase is more significant than anticipated, additional FTE may be requested through the appropriations process.

Oversight notes there are 10,652 employees at the Department of Corrections that this legislation would apply to, in addition to jailers and correctional officers of political subdivisions.

ASSUMPTION (continued)

Officials from the **Department of Corrections, Department of Transportation and Department of Public Safety - Missouri Highway Patrol** each assume the legislation will have no fiscal impact on their organization.

Oversight notes that the agencies mentioned above have each stated the legislation would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Oversight will reflect a zero impact on the fiscal note for these agencies for this section.

§32.303 - Remote Driver License Program

Officials at the **Department of Revenue (DOR)** assume the following regarding this legislation:

Driver License Bureau

The provisions authorizing online driver's license renewals and Mobile Driver Licenses are subject to appropriations. The legislation will require amendments to our current vendor contract or a request for procurement of a new license issuance contract to include a digital driver's license, referred to as the Mobile Driver License Application (mDL).

The Department will implement a pilot program for the Mobile Driver License (mDL) portion of this bill and has provided the costs associated with a pilot program based on estimates provided by the Department's current licensing vendor. The Department will seek additional appropriations if a decision is made to move forward with full implementation.

There is a \$4.49 annual subscription fee associated with the purchase of an mDL, which is paid by the mDL holder to the app store when activating the mDL after it has been downloaded. This fee includes the app store fee and the vendor's fee. Once the app store collects its portion of the fee, the remaining fee balance is passed on to the vendor for its services.

This pricing and the final pricing could potentially be higher or lower depending on the final scope, requirements, adoption trends, development of the alternate business models, etc.

mDL - Mobile Driver License Program (Pilot)

Hardware Cost - Implementation of the pilot program	\$350,000
FedRAMP Cost - Cloud hosting service (statewide implementation)	\$400,000

If the Department expanded the implementation of the mDL program statewide, there would be a cloud hosting service cost of \$400,000. Since this legislation will implement the mDL program on a pilot level to start with, this cost is not figured into this fiscal note.

ASSUMPTION (continued)

The estimated \$350,000 one-time vendor development fee to implement the mDL program cost is based on an estimate provided by a vendor based on 1 cost model type. The Department will consider this fee at this time, however, there could be potential cost models in which the cost to the State could be minimized or eliminated based on what is proposed in the bids that come in.

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

- Work with the Office of Administration to amend the current license issuance vendor contract or issue a Request for Proposal (RFP) to compare available pricing and technology for Mobile Driver License Applications;
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) Central Issuance system, the Missouri Driver License System (MODL), Missouri AAMVA Interface (MAI), and supporting applications to allow for integration with the Mobile Driver License Application (mDL).
- Complete user acceptance testing of the Missouri Electronic Driver License System (MEDL) and supporting applications to ensure new remote electronic renewals process and post to system diagnostic reports;
- Update forms, manuals, letters, and the Department website;
- Design and develop new system generated notices providing a PIN number for the remote renewal of the Mobile Driver License (mDL);
- Update the on-line and printed versions of the Missouri Driver Guide, Missouri Motorcycle Guide and Commercial Driver License Manual;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Train staff; and
- Deploy outreach efforts to inform the public, state and federal agencies and other entities using the Department of Revenue issued driver or nondriver license (identification card) for verification of identity of the Mobile Driver License Application (mDL).

FY 2020 - Driver License Bureau

Administrative Analyst II	1,512 hrs. @ \$17.13 per hr.	= \$25,901
Management Analysis Spec II	2,352 hrs. @ \$20.57 per hr.	= \$48,381
Revenue Manager	756 hrs. @ \$20.59 per hr.	= \$15,566
Total		= \$89,848

ASSUMPTION (continued)

FY 2021 - Personnel Services Bureau

Administrative Analyst II	400 hrs. @ \$17.13 per hr.	= \$6,852
Management Analysis Spec II	400 hrs. @ \$20.57 per hr.	= <u>\$8,228</u>
Total		= \$15,080

Total Costs = **\$51,207**

Oversight notes this section is subject to appropriation. **DOR** notes there is \$350,000 appropriated for FY 2020 in the Department's appropriation bill (HB 4) for this project. Therefore, Oversight will reflect a cost of \$350,000 in FY 2020.

§136.055 - Contractor License Offices

Officials at the **Department of Revenue (DOR)** assume the following regarding this legislation:

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

- Update procedures, forms, correspondence, associated fee charts, and the Department website;
- Update the Dealer Operating Manual;
- Update the Missouri Titling Manual;
- Update the Uniform License Issuance Manual;
- Update the on-line and printed versions of the Missouri Driver Guide, Missouri Motorcycle Guide, and the Commercial Driver License (CDL) Manual;
- Complete programming and user acceptance testing;
- Update the Missouri Transportation Accounting System (MTAS) tables used by the Missouri Electronic Driver License System (MEDL); and
- Train internal and license office staff.

FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	520 hrs. @ \$18.42 per hr.	= \$9,578
----------------------------	----------------------------	-----------

FY 2020 - Driver License Bureau

Administrative Analyst II	160 hrs. @ \$17.13 per hr.	= \$2,741
Management Analysis Spec II	180 hrs. @ \$20.57 per hr.	= \$3,703
Revenue Manager	30 hrs. @ \$20.59 per hr.	= <u>\$ 618</u>
Total		= \$7,062

ASSUMPTION (continued)

FY 2020 - Personnel Services Bureau

Administrative Analyst III	40 hrs. @ \$19.80 per hr.	= \$ 792
Management Analysis Spec I	60 hrs. @ \$18.42 per hr.	= \$1,105
Management Analysis Spec II	30 hrs. @ \$20.57 per hr.	= \$ 617
Total		= \$2,514

Total Costs = **\$19,154**

DOR notes OA-ITSD services will be required at a cost of **\$54,270** (723.60 hours x \$75 per hour) in FY 2020.

DOR notes this legislation will also increase processing fees for transactions processed at the Central Office Branch Office, through the mail, and online. This fee increase will be split to the Highway Fund, Cities, and Counties 75/15/10.

Motor Vehicle Bureau

Registrations for 1 year in FY 2021 and FY 2022:

70,744	Estimated 2 year transactions in Central Office and Online (MORE)
x \$ 2.50	Increased agent processing fee from \$3.50 to \$6.00
\$176,860	Total annual increase in processing fees for 1 year transactions.

Registrations for 2 year in FY 2021 and FY 2022:

173,493	Estimated 2 year transactions in Central Office and Online (MORE)
x \$ 5.00	Increased agent processing fee from \$7.00 to \$12.00
\$ 867,465	Total annual increase in processing fees for 2 year transactions.

Titles in FY 2021 and FY 2022:

154,246	Estimated 1 year fees by Branch Office - Central Site and Online (MORE)
x \$ 3.50	Increased agent processing fee from \$2.50 to \$6.00
\$ 539,861	Total annual increase in title processing fees

ASSUMPTION (continued)

Notice of Liens in FY 2021 and FY 2022:

6,112	Central Office Filed
+ 570,172	Online Notice of Liens
<u>576,284</u>	Total Notice of Liens Filed
x \$ 3.50	Estimated 1 year fees by Branch Office - Central Site and Online (MORE)
<u>\$ 2,016,994</u>	Total annual increase in Notice of Lien Process Fees

Driver License Bureau

Permits, Driver License, or Nondriver License Issued for 3 years or less in FY 2021 and FY 2022:

816	Estimated 3 year fees by Central Branch Office
x \$ 3.50	Increased agent processing fee from \$2.50 to \$6.00
<u>\$ 2,856</u>	Total annual increase in agent processing fees for exceeding 3 year transactions.

Permits, Driver License, or Nondriver License Issued for 6 years or less in FY 2021 and FY 2022:

5,634	Estimated 6 year fees Central Branch Office
x \$ 7.00	Increased agent processing fee from \$5.00 to \$12.00
<u>\$39,438</u>	Total annual increase in agent processing fees for exceeding 3 years transactions.

It is unknown how many notary fees or additional electronic transmission fees may be collected under the proposed change to §136.055.1(5) RSMo

Total Central Office, mail-in, and online processing fees to distribute: **\$3,643,474**

ASSUMPTION (continued)

Oversight notes the following fee changes:

Transaction Type	Current Fee	Proposed Fee
Motor vehicle or trailer registration (one year)	\$3.50	\$6.00
Motor vehicle or trailer registration (two year)	\$7.00	\$12.00
Application for transfer of title	\$2.50	\$6.00
Instruction permit, nondriver license, chauffeur's, operator's or driver's license (three years or less)	\$2.50	\$6.00
Instruction permit, nondriver license, chauffeur's, operator's or driver's license (exceeds three years)	\$5.00	\$12.00
Notice of liens	\$2.50	\$6.00
Notary fee	\$2.00 (only collected for telephone receptions)	\$2.00 per transaction

Source: Oversight

	FY 2020 (10 mos.)	FY 2021	FY 2022
<i>Amount to Distribute</i>	\$3,036,228	\$3,643,474	\$3,643,474
Highways (75%)	\$2,277,171	\$2,732,606	\$2,732,606
Cities (15%)	\$455,434	\$546,521	\$546,521
Counties (10%)	\$303,623	\$364,347	\$364,347

Source: DOR

Officials from the **Department of Transportation (MoDOT)** consider the revenues collected from these fees to be State Revenue Derived from Highway Users (SRHU) subject to the distribution requirements set out in Art. IV, Sec. 30(b)1, Mo. Const. MoDOT does not collect these fees, so we defer to DOR for the dollar figure.

Oversight notes that the additional fee revenue estimate provided by DOR is only for transactions at the Central Office and online. DOR assumed the additional fees charged by the fee offices will be retained by the fee offices.

ASSUMPTION (continued)

If MoDOT is correct in their assertion that the fee increases on transactions at all fee offices statewide (176 contracted license offices) should be distributed as SRHU revenue as well, there could be a significantly larger increase in revenue to distribute between the state's Highway Fund, cities and counties.

DOR provided information that **Oversight** used to estimate the estimated fee increase state-wide:

Registrations for 1 year in FY 2021 and FY 2022

1,485,689	Total Transactions
x \$2.50	Increased agent processing fee from \$3.50 to \$6.00
\$3,714,222	Total annual increase in agent processing fees for 1 year transactions.

Registrations for 2 year in FY 2021 and FY 2022

2,304,276	Total Transactions
x \$5.00	Increased agent processing fee from \$7.00 to \$12.00
\$11,521,380	Total annual increase in agent processing fees for 2 year transactions.

Titles in FY 2021 and FY 2022

2,059,457	Total Transactions
x \$3.50	Increased agent processing fee from \$2.50 to \$6.00
\$7,208,100	Total annual increase in agent processing fees for Title transactions.

Notice of Liens in FY 2021 and FY 2022

737,754	Notice of Lien Transactions (number adjusted from DOR est.)
x \$3.50	Increased agent processing fee from \$2.50 to \$6.00
\$2,582,139	Total annual increase in agent processing fees for Title transactions.

ASSUMPTION (continued)

Permits, Driver License, or Nondriver License Issued for 3 years or less in FY 2021 and FY 2022

167,333	Total Permits
330,521	Total Driver License (DL)
4,538	Total Nondriver License (NDL)
<u>+18,785</u>	Total Estimated Duplicates (DL, NDL and Permits)
521,177	Total annual 3 year or less transactions
x \$3.50	Increased agent processing fee from \$2.50 to \$6.00
\$1,824,120	Total annual increase in agent processing fees for 3 year transactions.

Permits, Driver License, or Nondriver License Issued for 6 years or less in FY 2021 and FY 2022

888,535	Total Driver License (DL)
130,063	Total Nondriver License (NDL)
<u>+279,198</u>	Total Estimated Duplicates (DL, NDL and Permits)
1,297,796	Total annual transactions exceeding 3 years
x \$7.00	Increased agent processing fee from \$5.00 to \$12.00
\$9,084,572	Total annual increase in agent processing fees for exceeding 3 years transactions.

Transaction Type	2020	2021 & 2022
Motor vehicle or trailer registration (one year)	\$3,095,185	\$3,714,222
Motor vehicle or trailer registration (two year)	\$9,601,150	\$11,521,380
Titles	\$6,006,750	\$7,208,100
Instruction permit, nondriver license, chauffeur's, operator's or driver's license (three years or less)	\$1,520,100	\$1,824,120
Instruction permit, nondriver license, chauffeur's, operator's or driver's license (exceeds three years)	\$7,570,476	\$9,084,572
Notice of liens	\$2,151,783	\$2,582,139
TOTAL	\$29,945,444	\$35,934,533

ASSUMPTION (continued)

For simplicity, **Oversight** will assume, if MoDOT is correct in their assertion that this additional revenue shall be distributed according to Art. IV, Sec. 30(b)1, of the Missouri Constitution, that the additional fee revenue will be distributed 75% to highways, 15% to cities and 10% to counties. Oversight notes that DOR is allowed to retain 3% of the tax or fee collected for collection costs; however, Oversight will simply provide that amount for informational purposes and not reflect it in the fiscal note.

	FY 2020 (10 mos.)	FY 2021 & FY 2022	3%
<i>Amount to Distribute</i>	\$29,945,444	\$35,934,533	\$1,078,036
Highways (75%)	\$22,459,083	\$26,950,900	
Cities (15%)	\$4,491,817	\$5,390,180	
Counties (10%)	\$2,994,544	\$3,593,453	

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assume the legislation will have no fiscal impact on their organization.

Oversight notes that MHP has stated the legislation would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for MHP for this section.

§144.070 & §301.032 - Provisions for Motor Vehicle Rental or Leasing Companies

Officials at the **Department of Revenue (DOR)** assumed the following regarding this legislation:

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

- Update or create procedures, correspondence, and the Department website;
- Update the Application for Permit to Operate as a Motor Vehicle/Marine Craft Leasing Company (DOR-901);
- Complete programming and user acceptance testing;
- Create or amend administrative rules; and
- Train staff.

ASSUMPTION (continued)

FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	440 hrs. @ \$18.42 per hr.	= \$ 8,105
Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Administrative Office Support Asst.	15 hrs. @ \$13.78 per hr.	= \$ 207
Revenue Manager	80 hrs. @ \$20.59 per hr.	= \$ 1,647
Total		= \$10,157

FY 2020 - Personnel Services Bureau

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
----------------------------	---------------------------	----------

Total Costs = **\$10,355**

DOR notes OA-ITSD services will be required at a cost of **\$85,050** (1,134 hours x \$75 per hour) in FY 2020.

Revenue Impact §301.032

DOR notes this legislation will allow licensed lease rental companies that have 3,500 or more vehicles registered in their fleet to be issued fleet license plates that can be transferred around within their fleet without having to transfer the registration through the Department of Revenue. The average passenger vehicle fee in FY 2018 was \$24. This legislation increases the cost of each plate to \$36 for lease rental companies that utilize this option, but the Department will not collect \$2 transfer fees since the qualifying lease rental companies will no longer be required to transfer their registration through the normal process, but rather will be able to transfer their registration within their fleet without doing so through the Department. It is unknown how many companies will utilize this option. Currently, there are 0 companies that registered their vehicles as a fleet that have 3,500 or more vehicles registered in their fleet. Larger companies this legislation is designed for do not currently register their vehicles as a lease rental, and since the name these entities use for titling purposes can vary, the Department is unable to obtain the number of vehicles that are titled in these larger companies names (Enterprise, Avis, Budget, etc).

For the purposes of this fiscal note, the Department is assuming there will be 4 companies that will utilize the provisions in this legislation. Assuming all 4 companies purchase 3,500 license plates, since the per plate cost (\$36) minus the \$2 transfer fee is \$10 more than the average passenger registration cost (\$24), there will be an estimated increase in registration fees that go to Highways, Cities, and Counties plates issued in the amount of **\$140,000** (\$3,500 x 4 x \$10).

ASSUMPTION (continued)

This amount could significantly increase if the amount of plates purchased by lease rental companies is significantly higher than the assumptions used for this fiscal note.

Revenue Impact §144.070.5

Some of these companies that register their vehicles as a lease rental prescribed in this legislation will have trucks in their fleet. The average cost for noncommercial truck registration is \$46. This will result in a decrease of \$12 per plate for trucks. A vast majority of vehicles in lease rental companies that will qualify for the provisions of this legislation are passenger vehicles, and so this decrease will be minimal.

DOR notes there was 673 lease rental companies in FY 2018. With the \$250 licenser fee this legislation creates, there would be an increase in the amount of **\$168,250** that would get distributed to highways, cities, and counties.

Total Increase in Amount to Distribute \$308,250 (\$140,000 + \$168,250)

	FY 2020 (10 months)	FY 2021	FY 2022
Highways	\$192,656	\$231,187	\$231,187
Cities	\$38,531	\$46,238	\$46,238
Counties	\$25,688	\$30,825	\$30,825
Total	\$256,875	\$308,250	\$308,250

Source: DOR

Oversight does not have any information to the contrary in regards to DOR's assumptions for annual registration fees. Oversight will reflect the increase in revenue due to the annual \$250 registration fee required to rent and/or lease vehicles (Up to \$168,250).

Oversight will range the fiscal impact of the increase of fees for license plates from \$24 (average cost of license plate registration for passenger vehicles) to \$46 (average cost of license plate registration for trucks) rather than the \$36 indicated by DOR:

Legislation: \$360 (first 10 plates) + 3,490 (plates remaining if all 3,500 plates are purchased) x \$36 (proposed fee) = \$126,000

ASSUMPTION (continued)

Current (passenger vehicles): 3,500 plates x \$24 (average passenger registration fee) = \$84,000

Current (trucks): 3,500 x \$46 (average truck registration fee) = \$161,000

Passenger vehicles difference: \$126,000 - \$84,000 = \$42,000 x 4 companies (DOR assumption) = \$168,000 - \$28,000 (loss of \$2 transfer fee for license plates, 3,500 x 4 x \$2) = \$140,000

Trucks difference: \$126,000 - \$161,000 = (\$35,000) x 4 companies (DOR assumption) = (\$140,000) - \$28,000 (loss of \$2 transfer fee for license plates, 3,500 x 4 x \$2) = (\$168,000)

§144.070 673 lease/rental companies x \$250 registration fee = Up to **\$168,250**

	FY 2020 (10 months)	FY 2021	FY 2022
Highways	Up to \$105,156	Up to \$126,187	Up to \$126,187
Cities	Up to \$21,031	Up to \$25,238	Up to \$25,238
Counties	Up to \$14,022	Up to \$16,825	Up to \$16,825
Total	Up to \$140,209	Up to \$168,250	Up to \$168,250

Source: Oversight

§301.032 Loss of truck registration fees (all trucks) **(\$168,000)** to increase in passenger vehicle fees (all cars) **\$140,000**

	FY 2020 (10 months)	FY 2021	FY 2022
Highways	(\$105,000) to \$87,500	(\$126,000) to \$105,000	(\$126,000) to \$105,000
Cities	(\$21,000) to \$17,500	(\$25,200) to \$21,000	(\$25,200) to \$21,000
Counties	(\$14,000) to \$11,667	(\$16,800) to \$14,000	(\$16,800) to \$14,000
Total	(\$142,800) to \$116,667	(\$168,000) to \$140,000	(\$168,000) to \$140,000

Source: Oversight

Oversight notes the \$3.50 agent fee in Section 301.032.7 is already being collected; therefore, there is no fiscal impact from this provision.

Officials from the **Office of the State Courts Administrator (OSCA)** assume the legislation will have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes that OSCA has stated the legislation would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for OSCA.

§§300.155 & 304.281 - Turning Right on Red

Officials from the **Department of Transportation (MoDOT)** assume the fiscal impact of this legislation is a cost of \$20,700, based on \$450 per sign, two signs per intersection at 23 diverging diamond interchanges.

Oversight does not have any information to the contrary in regards to MoDOT's assumptions; therefore, Oversight will reflect MoDOT's costs on the fiscal note.

Officials from the **Department of Public Safety - Missouri Highway Patrol, Department of Revenue, Office of the State Courts Administrator, Office of the State Public Defender, Office of Prosecution Services, the City of Kansas City and Moniteau County** each assume these sections the legislation will have no fiscal impact on their organization.

Oversight notes that the agencies mentioned above have stated the legislation would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight also notes that local governments are allowed to forbid left turns with reference to intersections which are under local government control. Oversight does not know how many intersections might be impacted (if any); however, local governments would be responsible for signage. Therefore, Oversight will reflect a potential cost to political subdivisions for additional signage.

§301.067 - Registration for Recreational Trailers

Officials from the **Department of Transportation** and **Department of Public Safety - Missouri Highway Patrol** each assume this section will have no fiscal impact on their organization.

Oversight has no information to the contrary. There Oversight will reflect a zero fiscal impact for these agencies for this section.

Officials at the **Department of Revenue (DOR)** assume the following regarding this legislation:

ASSUMPTION (continued)

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

- Update procedures and the Department website;
- Update correspondence letters; and
- Complete programming and user acceptance testing for identified systems.

FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	240 hrs. @ \$18.42 per hr.	= \$4,421
Total		= \$4,421

FY 2020 - Personnel Services Bureau

Management Analysis Spec I	40 hrs. @ \$18.42 per hr.	= \$737
Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$198
Total		= \$935

Total Costs = **\$5,356**

DOR notes OA-ITSD services will be required at a cost of **\$15,471** (206.28 hours x \$75 per hour) in FY 2020.

It is assumed that "recreational trailer" one and three year registrations will still expire annually (December 31st) as prescribed for all trailers in §301.030. Currently, §301.030 allows all trailers to have an extension on fees payable until the last day of February. It is assumed this legislation extends (defers) this for recreational trailers until the last day of May.

Oversight notes the current due date for trailer registrations is in December. This legislation changes the due date (instead of December 2019) to May, 2020. Oversight notes December, 2019 and May, 2020 are both in the same fiscal year; therefore, Oversight assumes there will not be a revenue impact from this change in FY 2020 or any year going forward.

ASSUMPTION (continued)

§§301.020, 301.191 & 307.350 - Motor Vehicle Inspections and Homemade Trailers

Officials at the **Department of Public Safety - Missouri Highway Patrol (MHP)** state the following regarding this legislation:

Currently, the vehicle safety inspection program is funded by charging licensed inspection stations a fee of \$1.50 for each safety inspection sticker and/or motorcycle decal purchased. These stickers and/or decals are used by licensed stations to indicate a presented vehicle has passed the vehicle safety inspection. \$1.00 for each sticker/decal sold is deposited into the Highway Fund (0644), while \$0.50 for each sticker/decal sold is deposited into the Highway Patrol Inspection Fund (0297). Activities of the Motor Vehicle Inspection Division (MVID) are primarily supported by monies from the Highway Fund, with additional monies from the Highway Patrol Inspection Fund dedicated to safety and education programs of the division.

FY 2018 MVID records indicate deposits from the vehicle safety inspection program, totaling \$3,838,481, were made into the following accounts:

Highway Fund (0644):	\$2,573,303
Highway Patrol Inspection Fund (0297):	<u>\$1,265,178</u>
Total Income Loss from Program Elimination:	\$3,838,481

Upon further inquiry, **Oversight** notes MHP stated that \$10 station fees and fees for additional optional inspection signs for stations are also deposited into the Highway Fund, which accounts for the Highway Fund not being exactly twice as large as the Highway Patrol Inspection Fund.

MHP notes this legislation would require vehicles more than 10 years old or having 150,000 or more miles to be inspected. There are currently 5,111,087 vehicles registered in Missouri (as of January 4, 2019), of which 2,517,132 are less than 10 years old. This means the remaining 2,593,955 would be more than 10 years old.

Information obtained from the Gateway Vehicle Inspection Program (GVIP) non-attainment area indicates that 22,609 vehicles out of the 1,001,862 inspections performed in that area on vehicles less than 10 years old had an odometer reading of 150,000 or more miles. This is approximately 2.2%, and extrapolating that to the entire state would indicate that 112,444 vehicles would be less than 10 years old but have more than 150,000 miles (5,111,087 x 2.2%).

As a result, 2,706,399 vehicles would fall under the biennial inspection process (2,593,955 plus 112,444), meaning half of them, or 1,353,200, would be inspected each year (2,706,399 / 2).

ASSUMPTION (continued)

The current inspection process generates \$2,573,303 per year in Highway funds and \$1,265,178 in Highway Patrol Inspection funds. The revenue generated by the amendment would only be \$1,353,200 in Highway funds (\$1.00 per vehicle) and \$676,600 in Highway Patrol Inspection funds (\$0.50 per vehicle). As a result, there would be a \$1,220,103 loss of Highway revenue (\$2,573,303 minus \$1,353,200), and a \$588,578 loss of Highway Patrol Inspection revenue (\$1,265,178 minus \$676,600).

This loss of revenue would directly impact the funding of Highway Patrol operations. The portion of sticker sales that is deposited into the Highway fund (\$2,573,303 per year) partially funds the Patrol's Motor Vehicle Inspection Division. This division is comprised of 72 FTE and has a personal services budget of \$5,307,336 including fringe benefits, and an expense and equipment budget of \$410,804.

Oversight assumes the cars impacted by this legislation that will no longer be required to be inspected are those between 5 years and 10 years of age, without having more than 150,000 miles. Oversight inquired with the Department of Revenue (DOR) and there are 1,388,523 registered vehicles that are five years old or newer. Oversight assumed MHP's estimate of 112,444 vehicles x proportion of population cars 10 years old or newer.

	Provided by MHP or DOR	Determined
Total Cars registered	5,111,087	
Registered cars 5 years or newer	1,388,523	
Registered cars more than 10 years	2,593,955	
Registered cars 10 years or newer	2,517,132	(2,593,955 - 1,388,523)
Registered cars between 10 and 5 years		1,205,432
Less # of cars 10 years old or less that will have more than 150,000 miles and still require an inspection (MHP's 112,444 x (2,517,132 / 5,111,087))		(55,377)
Number of vehicles that will no longer require inspection as a result of this bill		(1,205,432 - 55,377) 1,150,055

ASSUMPTION (continued)

Therefore, assuming a biennial inspection process, Oversight will assume a loss to the Highway Fund of \$575,028 (1,150,055 / 2 x \$1.00) annually, and a corresponding loss to the Highway Patrol Inspection Fund of \$287,514 annually (\$0.50). Oversight assumes some cars will be inspected more than once during a biennial period (bought/sold, transferred, owner reassurance, etc.), so we will range the fiscal impact from “More than” Oversight’s estimates provided above to the MHP’s estimates.

Oversight does not have information regarding the number/percent of vehicles that will be 10 years of age or newer, but have over 150,000 miles. Therefore, Oversight will utilize MHP’s estimate of 112,444 vehicles.

MHP notes the legislation also eliminates the inspection of homemade trailers under 16' in length by official safety inspection stations. All previously untitled homemade trailers, regardless of length, would require inspection performed by either the sheriff of the county in which the owner is a resident, or by MHP. The current cost of such inspections is \$10.

This legislation would increase the fee for this inspection to \$25. When inspected by the sheriff, these revenues would be deposited into the local law enforcement fund, or if no such fund exists, into the county's general revenue fund. When inspected by MHP, the fee would be paid to the Director of Revenue for deposit into the Highway Fund.

Approximately 4,308 such trailer inspections were performed at official safety inspection stations in FY 2018. With this legislation, these inspections could be performed by MHP, creating additional revenue for the state of Missouri in the amount of \$107,700.

FY2018:	Homemade trailer inspections (under 16'):	4,308
	Inspection Fee:	x \$25
	Revenue Increase	\$107,700

In addition, in FY 2018, 787 trailers over 16' in length were inspected by local sheriff's or MHP, as required by statute. The current cost of such inspections is \$10. This legislation would increase the fee for this inspection to \$25, with the same provisions as stated above, for a net increase in revenues per inspection of \$15. This fee increase could increase state revenues by \$11,805.

FY2018:	Homemade trailer inspections (16' and over):	787
	Increase in Inspection Fee (\$10 to \$25):	x \$15
	Revenue Increase	\$11,805

ASSUMPTION (continued)

Oversight notes, according to the MHP's budget submission, the Motor Vehicle Inspection Division is responsible for the overall administration and enforcement of the statutorily-mandated vehicle safety inspection program. Program expenditures for the past three fiscal years are as follows:

FY 2018	\$5,692,377*
FY 2017	\$5,526,580*
FY 2016	\$5,348,399*

* Mostly "other state funds" including Highway, Highway Patrol Inspection, and OASDHI.

Oversight does not have any information to the contrary in regards to MHP's assumptions regarding trailer inspections; therefore, Oversight will reflect the increase in revenue due to all trailer inspections being done by MHP.

Oversight inquired of MHP as to any potential program savings from reducing the number of inspections conducted. MHP stated there would be no elimination of FTE; however, based on a previous response from MHP in which 14 FTE would be eliminated due to the repeal of the inspection program, Oversight will assume up to half (7) of these FTE could still be eliminated.

2,599,028 (vehicles 10 years or older + approximate number of vehicles with over 150,000 miles that are less than 10 years old)/5,111,087 (currently registered vehicles in Missouri) = 51% which equates to approximately 7 FTE (14 FTE estimated from elimination of inspection program x 51%).

For simplicity purposes, **Oversight** will range the fiscal impact of the reduced program savings from \$0 (as indicated by MHP) to the elimination of 7 FTE (half of the amount indicated in the previous fiscal note as Oversight does not know which specific positions would be eliminated). Oversight will not break out the possible savings to the Highway Patrol Inspection Fund.

Additionally, **Oversight** will reflect income (increased fee for homemade trailer inspections) to local law enforcement on the fiscal note.

Oversight notes that the MHP stated there are currently 33 states that do not have vehicle inspections.

Officials at the **Department of Revenue (DOR)** assume the following regarding this legislation:

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

ASSUMPTION (continued)

- Update procedures, correspondence letters, and the Department website;
- Update the Application for Missouri Title and License (DOR-108);
- Update the Application for Missouri Vehicle License (DOR-184);
- Update the General Affidavit (DOR-768);
- Send out notification to all dealers via GovDelivery;
- Update the motor vehicle renewal notices and titling manual;
- Complete programming and user acceptance testing of identified systems;
- Amend and update administrative rules; and
- Train staff

FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	560 hrs. @ \$18.42 per hr.	= \$10,315
Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Administrative Office Support Asst.	15 hrs. @ \$13.78 per hr.	= \$ 207
Revenue Manager	80 hrs. @ \$20.59 per hr.	= \$ 1,647
Total		= \$12,367

FY 2020 - Personnel Services Bureau

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
----------------------------	---------------------------	----------

Total Costs = \$12,565

It is assumed that all vehicles less than 10 years of age and less than 150,000 miles will be required to report the odometer reading. For those vehicles, there will not be a safety inspection to determine if mileage should be recorded or not. Only assignments of title will note the mileage.

It is assumed that if a vehicle is less than 10 years old, but has 150,000 miles or more that a safety inspection will be required. The Department will not know when that 150,000 mile threshold is reached to require a safety inspection.

The Department may not be able to administer this legislation accurately due to the Department not knowing when a vehicle reaches the 150,000 mile limit before a required renewal of registration that would require a safety inspection. Currently, the Department obtains mileage on renewals from the safety inspections.

DOR notes OA-ITSD assumes services will be required at a cost of **\$92,988** (1,239.84 hours x \$75 per hour) in FY 2020.

ASSUMPTION (continued)

Officials from the **Department of Natural Resources (DNR)** assume the legislation will have no fiscal impact on their organization. DNR noted that the Gateway Vehicle Emissions Inspection Program would still be authorized to continue.

Oversight inquired of DNR in regards to the fiscal impact of the loss of funds indicated by MHP to the Gateway Vehicle Emissions Inspection Program. Oversight was unable to confirm if this legislation would have a direct fiscal impact on this program; therefore, Oversight has not reflected a fiscal impact to DNR on the fiscal note.

Officials from the **Department of Transportation** defer to DOR for the fiscal impact of this legislation.

Officials from the **Office of the State Courts Administrator, Office of the State Public Defender** and **Office of Prosecution Services** each assume the legislation will have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the legislation would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for those agencies.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this legislation will result in insignificant savings due to not being required to have department vehicles inspected.

Oversight assumes the savings DESE indicated will not be material; therefore, Oversight will not reflect the savings on the fiscal note.

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 \$5,000. 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.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this legislation. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state that the legislation is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this legislation with existing resources.

§301.030 - Vehicle Registrations Renewals

Officials from the **Department of Revenue** assume the legislation will have no fiscal impact on their organization.

Officials from the **Department of Transportation** and **Department of Public Safety - Missouri Highway Patrol** each assume the legislation will have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the legislation would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies for this section.

§§302.020 and 302.026 - Protective Headgear for Motorcycle Operators

Officials at the **Department of Revenue (DOR)** assume the following regarding this legislation:

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

- Update the Missouri Driver Guide;
- Update the Missouri Motorcycle Manual; and
- Update the Department website.

FY 2020 - Driver License Bureau

Management Analysis Spec II	20 hrs. @ \$20.57 per hr.	= \$411
Revenue Manager	10 hrs. @ \$20.59 per hr.	= \$206
Total		= \$617

ASSUMPTION (continued)

FY 2020 - Personnel Services Bureau

Administrative Analyst III	20 hrs. @ \$19.80 per hr.	= \$396
Management Analysis Spec I	20 hrs. @ \$18.42 per hr.	= \$368

Total = \$764

Total Costs = \$1,381

Officials from the **Department of Transportation (MoDOT)** assume the legislation will have no fiscal impact on their organization. MoDOT supports an all-rider helmet law as a mechanism to reduce disabling serious injuries and fatalities to riders of motorcycles.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Office of Prosecution Services, Office of the State Public Defender, Department of Public Safety - Missouri Highway Patrol and Department of Corrections** each assume the legislation will have no fiscal impact on their organization.

Oversight notes that the agencies mentioned above have stated the legislation would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies for these sections.

Officials from the **Department of Social Services (DSS)** assume the following regarding this legislation:

Currently, all users of motorcycles and motortricycles are required to wear protective headgear when the vehicle is in motion. This bill clarifies that operators, riders, or passengers under the age of 18 are still required to wear protective headgear. It further requires any operator age 18 or older to wear protective headgear if they have been issued an instruction permit.

Section 302.026, RSMo, is added to authorize individuals age 18 or older to operate a motorcycle or motortricycle without wearing protective headgear if he/she can show proof of the following:

- 1) medical payment insurance coverage;
- 2) maintains proof of financial responsibility; and
- 3) coverage by a health insurance policy or other form of insurance providing coverage for such injuries.

ASSUMPTION (continued)

Division of Legal Services

The Division of Legal Services (DLS) defers to the MO HealthNet Division for any fiscal impact that SB 147 may have on the MO HealthNet program. SB 147 will not have a fiscal impact on DLS.

Missouri Healthnet Division

Section 302.026, RSMo:

The Missouri Healthnet Division (MHD) assumes the medical benefits provided under MO HealthNet meet the requirements as specified in the bill to operate a motorcycle without a helmet, whereas uninsured individuals would be prohibited from riding a motorcycle un-helmeted. There are two categories of individuals who would sustain severe traumatic brain injuries (TBI) and 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.

The Missouri State Highway Patrol reported 1,979 non-fatal injured persons resulting from motorcycle crashes in 2014. MHD assumes 95% of the injured persons were age 18 or older ($1,979 * 95\% = 1,880.1$) 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 un-helmeted motorcyclists suffered from severe TBI. Therefore, MHD assumes 88.4 persons sustained severe TBI injuries in 2014 (most current data available) as a result of motorcycle crashes while wearing helmets ($1,880.1 * 4.7\%$). This number would increase to 137.2 individuals with severe TBI injuries if helmets were no longer required under state law ($1,880.1 * 7.3\%$). Therefore, it is estimated that 48.8 individuals will sustain severe TBI as a result of this legislation ($137.2 - 88.4$).

- 1) MHD assumes that of these 48.8 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 7.3 new PTD in FY 2020, 18.3 in FY 2021, and 32.9 in FY 2022. In addition, MHD assumes that TBIs will be life-long injuries; therefore, the number of individuals being served under Medicaid will continue to compound.

Based on FY 2018 annual Medicaid expenditures for a recipient with PTD trended annually by a 2.1% inflationary factor, MHD estimates an annual first year cost of \$17,641 per person for a total first year cost of \$128,779 in FY 2020.

2) MHD further assumes that of the 48.8 individuals annually sustaining severe TBI as a result of this legislation, 8.23% (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 4.0 individuals.

Based on a 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 2018. Therefore, the initial hospitalization cost is estimated to be \$20,601 per person in FY 2020 or \$82,404.00 (\$20,601* 4.0 individuals).

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 2018 expenditures) is \$6,594. MHD assumes annual expenditures will increase to the PTD level for an annual increase of \$10,329 per person sustaining a TBI as a result of this legislation. This amount is trended annually by 2.1%. MHD estimates the annual costs for caring for an individual with TBI will be \$41,315 (\$10,328.71* 4.0 individuals each year).

The total annual cost for individuals who are Medicaid recipients at the time of the accident is \$125,472 (\$82,404.00+ \$43,945.43). MHD assumes that TBIs will be life-long injuries; therefore, the number of individuals being served under Medicaid will continue to compound.

This cost reflects expenditures incurred by the Division of MO HealthNet. Any Medicaid services incurred by the Department of Health and Senior Services (DHSS) and the Department of Mental Health (DMH) will be included in their responses.

ASSUMPTION (continued)

MHD estimates the total impact as follows:

FY 2020: Total - \$254,252; GR - \$87,493; Federal - \$166,759

FY 2021: Total - \$502,267; GR - \$172,840; Federal - \$329,427

FY 2022: Total - \$826,793; GR - \$284,516; Federal - \$542,277

Each year, an additional 14.6 privately insured individuals would gradually become eligible for Medicaid as a result of a severe head injury sustained while riding a motorcycle without a helmet.

4.2 Medicaid recipients would sustain severe head injuries annually while riding a motorcycle without a helmet.

Until the FY 2020 budget is final, the Department cannot identify specific appropriations.

Officials from the **Department of Health and Senior Services (DHSS)** assume the following regarding this legislation:

Changing the helmet law will increase the number of individuals incurring a traumatic brain injury, thus there will be 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).

Based on motorcycle crash statistics provided by the Missouri State Highway Patrol, there were 2,044 personal injuries that resulted from motorcycle crashes in 2017.

Of these 2,044 injuries, 125 involved persons age 18 to 20 and 1,698 involved persons age 21 through 64. According to a National Occupant Protection Use Survey, it is estimated that half of those persons would not be wearing a helmet if this proposed legislation is passed; resulting in 62.5 (age 18-20) and 849 (age 21-64) individuals involved in a motorcycle crash while not wearing a helmet ($125 \times .50 = 62.5$ and $1,698 \times .50 = 849$).

Based on assessment of other states, if 50 percent of those individuals experience a traumatic brain injury (TBI), and 50 percent of those with a TBI are eligible for program enrollments, there would be 16 additional participants dually enrolled in CYSHCN and HCY ($62.5 \times .50 \times .50 = 16$), with 50 percent (or 8 participants) of the HCY enrollments aging out into the MFAW Program in subsequent years ($16 \times .50 = 8$), and 212 additional enrollments to the ABI Program per year ($849 \times .50 \times .50 = 212$).

ASSUMPTION (continued)

The average cost per participant for CYSHCN is \$821.37 per year. The total needed for CYSHCN services would be \$13,142 ($\821.37×16 participants) per year.

Both HCY and MFAW are partially federally funded at 65.588 percent federal and 34.412 percent state Medicaid match (FY 2020 FMAP rate). The average cost per participant to provide services through the HCY Program is \$21,042 per year. The total needed for HCY services would be \$336,676 ($\$21,042.27 \times 16$ participants), funded as \$220,819 by federal and \$115,857 by the state.

The average cost per participant to provide services through the MFAW Program is \$99,451 per year. The total needed for services through the MFAW Program would be \$795,606 (8 MFAW participants \times $\$99,450.78$), funded as \$518,759 by federal and \$276,847 by the state.

The current average cost per participant to provide rehabilitation services through the ABI Program is \$3,281 per year. The total needed for rehabilitation services would be \$695,572 ($\$3,281 \times 212$ participants).

The increase in participants would also require the ABI Program to add six additional Service Coordinators, based on the fact that currently there is an average of 40 participants per Service Coordinator caseload ($212/40$ participants per Service Coordinator).

Service Coordinators provide case management for participants enrolled in the ABI Program and are contracted through local public health agencies (LPHA) at a cost of \$61,800 per Service Coordinator. The total needed for all six additional Service Coordinators would be \$370,800 ($\$61,800 \times 6$ Service Coordinators).

Participation in the ABI Program is subject to available funding and without additional funding any potential new participants will be added to a waiting list for rehabilitation services. In Fiscal Year 2018, there were 135 Missourians on the ABI Program wait list, with a wait time of over 243 days before rehabilitation services were provided through the program. It is clear that additional program participants would result in the ABI Program requesting additional funding for the program.

Given that CYSHCN and HCY participants age out of the programs by age 21, it is estimated that the influx of these two programs' new participants will be offset each year by the outflux of the programs' participants.

ASSUMPTION (continued)

The impact to the ABI and MFAW Programs will be additional participants each year (additional annual impact plus the impact from the previous year) since the average length of enrollment in the program is greater than the three years estimated in this fiscal note. Given that one of the eligibility requirements for the MFAW Program is that the program participant ages out from the HCY Program, the additional impact on MFAW will not be experienced until Fiscal Year 2021.

Brain Injury Fund

Currently there is a two dollar surcharge collected for the Brain Injury Fund (Section 304.028, RSMo) from the fines assessed for each citation given for failure to wear protective headgear. If it is no longer illegal to not wear protective headgear for those age 18 and over, it would cause a decrease in the amount collected for the Brain Injury Fund.

According to the Missouri State Highway Patrol there were 542 citations made in 2016 and 447 citations in 2017 for failure to wear protective headgear while riding a motorcycle for those age 18 and older. This is an average of 495 citations each year. Therefore it is estimated that revenue to the Brain Injury Fund will decrease by approximately \$1,000 each year from the current level of collection.

Oversight does not have any information to the contrary in regards to DHSS's assumptions; therefore, Oversight will reflect DHSS's loss of revenue on the fiscal note.

Oversight notes the Brain Injury Fund (0742) had a fund balance of \$785,880 as of January 2019.

Officials from the **Department of Mental Health (DMH)** assume the following regarding this legislation:

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 (see Section 630.005, RSMo). This legislation would allow for expansion of the number of eligible DD Medicaid Waiver participants, in that riders 18 to 21 years of age could sustain a traumatic brain injury (TBI) while operating a motorcycle or motortricycle without protective headgear, thereby potentially qualifying them for DD waiver services.

ASSUMPTION (continued)

DD estimates an average cost per day of \$393 (\$143,445 / yr.) for residential services. Utilizing the methodology below, the following increased costs could occur: \$246,810 state share increased cost per year, plus \$470,415 federal share increased cost per year. The total increased cost per year could equal \$717,225. 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 18-21 years of age would be in compliance with Section 302.026.1, RSMo, at the time of a motorcycle crash resulting in TBI, and would carry the proposed minimum medical payment or other insurance coverage of \$1 million.

Given the nature of treating TBI in a hospital setting and current inpatient healthcare costs, we assume this amount of coverage would serve to defray or cover an individual's medical bills, but would not serve as a mitigating eligibility factor for future placement in a DMH waiver program.

Crash Rates

The MO State Highway Patrol reports 1,847 personal injury motorcycle crashes in 2016, injuring 2,183 people (see Missouri State Highway Patrol, Statistical Analysis Center, Missouri Traffic Safety Compendium, Report Year 2016, Report 7.1 - Crashes Involving Motorcycles by Crash Severity and Personal Injury Severity). Link:
<http://www.mshp.dps.missouri.gov/MSHPWeb/SAC/Compendium/TrafficCompendium.html#>

The State's ten year average for motorcycle crashes between 2007 and 2016 is 1,840 and 2,146 for persons injured (see Report 7.1 for the years 2007 through 2016 - same link as above). In 2016, the number of crashes increased 6.33% from the preceding year (see Missouri State Highway Patrol, Statistical Analysis Center, Missouri Traffic Safety Compendium, Report Year 2016, Report 7.2 - Motorcycle Involved Crashes by Annual Percent Change - same link as above).

Based on available data for 2012 through 2016, projections indicate Missouri will have experienced an average of 2,128 motorcycle crash injuries per year between 2017 and 2021 (see Missouri State Highway Patrol, Statistical Analysis Center, Missouri Traffic Safety Compendium, Report 7.1 - Crashes Involving Motorcycles by Crash Severity and Personal Injury Severity for the years 2012 through 2016 - same link as above).

ASSUMPTION (continued)

State Demographics

The United States Census Bureau estimates that in 2017 the percentage of persons aged 18 to 21 years old residing in Missouri comprised 5.218% of the total state population, or 319,000 persons out of 6,113,532 (Citation: Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States, States, and Puerto Rico Commonwealth: April 1, 2010 to July 1, 2017 Source: U.S. Census Bureau, Population Division Release Date: June 2018).

Head Injury Rate of Occurrence

The federal Centers for Disease Control reports an incidence rate for head injury requiring hospitalization of 81.2 per 100,000 people aged 15-24. The Centers for Disease Control released this report in 2010, which is the most recent in-depth national-level study on the frequency of TBI-related medical encounters, including hospitalization and emergency department visit data for the years 2002-2006.

Comparing this data to the census data previously discussed yields an estimate of 259 persons aged 18 to 21 per year in Missouri who will experience a head injury requiring hospitalization (persons aged 18 to 21 in MO / CDC unit of measurement x CDC incidence rate).

DD Community Placements & Cost Estimate

In 2018, the Division of DD admitted 46 individuals with head injuries (data is based on the diagnosis entered in DMH's client services system when the consumer is admitted).

DD estimates an average cost per day of \$393 (\$143,445/yr.) for residential services.

- The state share of this cost in FY 2020 is \$49,362 ($\$143,445 \times 34.412\%$ state share = \$49,362).
- The federal share of this cost in FY 2020 is \$94,083 ($\$143,445 \times 65.588\%$ federal share = \$94,083).
- The total cost in FY 2020 is \$717,225.

Estimated Annual Fiscal Impact

Assuming a 5% rate of TBI incidence due to motorcycle crashes for each year between 2019 and 2023 for individuals aged 18 to 21 in Missouri, a total of 25 additional individuals or 5 people per year could become eligible for DD waiver services.

Utilizing the Division of DD's cost estimates for FY 2020, this represents an annual increased cost to the DMH of \$246,810 of general revenue per year ($\$49,362 \times 5 = \$246,810$). In addition, there would be an annual increased cost to the DMH of \$470,415 of federal funds per year ($\$94,083 \times 5 = \$470,415$).

ASSUMPTION (continued)

The Department assumes we would receive the federal Medicaid match dollars. Thereby making the net cost to DMH the \$246,810 per year in general revenue funds.

Oversight assumes some people 18 and over could choose not to wear protective headgear as a result of this legislation. Accordingly, there may be an increase in injuries or the severity of injuries to motorcyclists 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.

§§302.170, 302.720 & 302.768 - Provisions for Commercial Driver's Licenses

Officials at the **Department of Revenue (DOR)** assume the following regarding this legislation:

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

- Work with OA-ITSD to update the Missouri Electronic Driver License system (MEDL) and develop possible interfaces with the Federal Motor Carrier Safety Act (FMCSA) defined verification system, which may include changes to the Missouri AAMVAnet Interface (MAI) application or a newly developed interface;
- Update Missouri Driver License system (MODL) to update, store and respond to information request related to medical certificate information;
- Update the current issuance term for commercial instruction permits in MEDL and update MODL and MEDL to ensure only one, one-year term documented is issued without retesting as required;
- Update the MEDL system and the MAI application to receive and send out required medical certificate data and post updates to the driver record as required;
- Modify MEDL test entry screens for military waiver applicants to allow the written and skills testing to be waived for military applicants;
- Complete programming and user acceptance testing;
- Update the Uniform License Issuance Manual (ULIM);
- Update the Missouri Driver Guide and CDL manual;
- Update the Missouri Transportation Accounting System (MTAS) to reflect the increased fee;
- Update procedures and the Department website; and
- Train staff.

ASSUMPTION (continued)

FY 2020 - Driver License Bureau

Administrative Analyst II	320 hrs. @ \$17.13 per hr.	= \$ 5,482
Management Analysis Spec II	480 hrs. @ \$20.57 per hr.	= \$ 9,874
Revenue Manager	120 hrs. @ \$20.59 per hr.	= \$ 2,471
Total		= \$17,827

FY 2020 - Personnel Services Bureau

Administrative Analyst III	80 hrs. @ \$19.80 per hr.	= \$ 1,584
Management Analysis Spec I	80 hrs. @ \$18.42 per hr.	= \$ 1,474
Total		= \$ 3,058

Total Costs = **\$20,885**

DOR notes OA-ITSD services will be required at a cost of **\$123,525** (1,647 hours x \$75 per hour) in FY 2020.

DOR also notes these sections of this legislation are federally mandated. The Federal Motor Carrier Safety Administration's (FMCSA) Minimum Training Requirements for Entry-Level Commercial Motor Vehicle Operators final rule was mandated by the Moving Ahead for Progress in the 21st Century Act (MAP-21) and was effective February 6, 2017. The FMCSA requirements are defined in accordance with 49 CFR Part 380, Subpart F: CDL Entry-Level Driver Training. The current Federal compliance deadline is February 7, 2020. Non-compliance may result in the loss of federal funding and could compromise our commercial driver license issuance program as defined in 49 CFR 384 Subpart C-Procedures for Determining State Compliance 49.

The FMCSA Medical Examiner's Certification Integration rule was posted April 23, 2015 and later amended for a correction and compliance extension. The requirement for electronic verification of medical examiner certificate (MEC) information for commercial drivers is defined in 49 CFR Part §383.73.

The amended deadline for state licensing agency compliance is June 22, 2021. Non-compliance may result in the loss of federal funding and could compromise our commercial driver license issuance program as defined in 49 CFR 384 Subpart C-Procedures for Determining State Compliance 49.

ASSUMPTION (continued)

Pursuant to 49 CFR §384.401, following the first year of non-compliance, up to 4% of Federal-aid highway funds apportioned to any State under sections 104(b)(1), (b)(3), and (b)(4) of title 23 U.S.C. shall be withheld from a State on the first day of the fiscal year following such State's first year of non-compliance. For second and subsequent year(s) of non-compliance, an amount up to 8% shall be withheld.

Based on DOR's response, **Oversight** assumes this legislation is federally mandated and will place Missouri in compliance with federal regulations. If Missouri were to remain non-compliant, Missouri would risk losing federal funding of \$26 million (4%) in FY 2021 and \$52 million (8%) in FY 2022 and beyond.

Revenue Impact

The following estimates are based on issuance totals from the Missouri Transportation Accounting System report for FY 2018.

Estimated increase in commercial permit fees

18,497	New permits issued
x \$5	Increased fee
\$92,485	Increased fees collected annually

75% Distributed to Highway Fund	\$69,364
15% Distributed to Cities	\$13,873
10% Distributed to Counties	\$ 9,248

Estimated decrease in renewal of commercial learners' permit fees

1,870	Renewal permits issued
x \$5	Current permit fee
\$9,350	Decrease in permit fees collected annually

75% Distributed to Highway Fund	\$7,013
15% Distributed to Cities	\$1,402
10% Distributed to Counties	\$ 935

ASSUMPTION (continued)

	FY 2019 (10 Mo.)	FY 2020	FY 2021
<i>Amount to Distribute</i>	\$69,279	\$83,135	\$83,135
75% Highway Fund	\$51,959	\$62,351	\$62,351
15% Cities	\$10,392	\$12,472	\$12,472
10% Counties	\$6,928	\$8,314	\$8,314

Source: DOR

Officials from the **Department of Transportation (MoDOT)** defer to DOR for the fiscal impact of this legislation.

Officials from the **Department of Public Safety - Missouri Highway Patrol** assumed the legislation would have no fiscal impact on their organization.

Oversight notes that the Department of Transportation and Department of Public Safety - Missouri Highway Patrol each have stated the legislation would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary.

Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

§302.341 - Minor Traffic Violations

Officials at the **Department of Revenue** assume the following:

Driver License Bureau

Currently, the Department processes Instate Failure to Appear (FACT) suspensions from State courts for major and minor traffic violations; and for county and municipal courts for major violations. The Department can process suspensions on minor violations, if the following occur:

1. If the violation occurred in a Commercial Motor Vehicle (CMV);
2. The driver is a Commercial Driver License holder (CDL);
3. The violation occurred in a school or construction zone;
4. If the driver is involved in an accident or accident with injury.

ASSUMPTION (continued)

Prior to the passage of Senate Bill 5 in 2015, the Department was able to process FACT suspensions from all courts for both major and minor traffic violations; therefore, the following statistics are available showing the decreased volume of suspensions processed by the law change and the Municipal Court practices revised by the Missouri Supreme Court ruling.

FY 2014:	98,969 FACT suspensions processed by the Department 65,718 FACT compliances processed by the Department
FY 2015:	119,141 FACT suspensions processed by the Department 77,281 FACT compliances processed by the Department
FY 2016:	60,460 FACT suspensions processed by the Department 44,651 FACT compliances processed by the Department
FY 2017:	41,405 FACT suspensions processed by the Department 28,544 FACT compliances processed by the Department
FY 2018	38,249 FACT suspensions processed by the Department 27,975 FACT compliances processed by the Department

The suspensions processed decreased from:

FY2015 to FY2016 at 49% ($119,141 - 60,460 = 58,681$, $58,681/119,141 = 49.25\%$)

FY2016 to FY2017 at 32% ($60,460 - 41,405 = 19,055$, $19,055/60,460 = 31.51\%$)

FY2017 to FY2018 at 8% ($41,405 - 38,249 = 3,156$, $3,156/41,405 = 7.62\%$)

The compliances processed decreased from:

FY2015 to FY2016 at 42% ($77,281 - 44,651 = 32,630$, $32,630/77,281 = 42.22\%$)

FY2016 to FY2017 at 36% ($44,651 - 28,544 = 16,107$, $16,107/44,651 = 36.07\%$)

FY2017 to FY2018 at 2% ($28,544 - 27,975 = 569$, $569/28,544 = 1.99\%$)

The Department presumes that suspensions will increase by 97% ($119,141 - 60,460 = 58,681$, $58,681/60,460 = 97.05\%$) and compliances will be increased by 73% ($77,281 - 44,651 = 32,630$, $32,630/44,651 = 73.07\%$).

FY2020:	75,351 FACT suspensions ($38,249 + 37,102$ (97% of 38,249) = 75,351) 48,397 FACT compliances ($27,975 + 20,422$ (73% of 27,975) = 48,397)
---------	--

ASSUMPTION (continued)

FY2021: 95,351 FACT suspensions (75,351 + 20,000 = 95,351)
 60,397 FACT compliances (48,397 + 12,000 = 60,397)

FY2022: 115,351 FACT suspensions (95,351 + 20,000 = 115,351)
 72,397 FACT compliances (60,397 + 12,000 = 72,397)

FTE Requirements

The Driver License Bureau will require additional FTE to process suspensions, compliances, and perform other related processes.

37,102 Additional FACT suspensions received annually
/ 252 Work days per year
 147 Additional suspension notices received daily
/ 440 # of documents a RPT I can process daily
 0.33 = .33 FTE needed to process additional suspensions

20,422 Additional FACT compliances received annually
/ 252 Work days per year
 81 Additional compliance notices received daily
/ 440 # of documents a RPT I can process daily
 0.18 = .18 FTE needed to process additional compliances

Telephone Inquiries

A telephone operator is expected to process 100 telephone inquiries daily.

37,102 Additional FACT Suspension received annually
x 90% Percent which will generate telephone inquiries
33,392 Additional telephone inquiries received per year
/ 252 Work days per year
 133 Additional telephone inquiries received per day
/ 100 # of telephone inquiries processed per day
 1.33 = 1.33 FTE needed to answer additional telephone inquiries

Returned Mail

Prior statistics show approximately 33% of suspension notices issued will be returned to DLB undeliverable by the postal authorities due to no current address. This will require data entry by a processing technician and preparation of documents for document imaging post data entry.

ASSUMPTION (continued)

37,102	Additional FACT suspensions received annually
x 33%	Percent of notices returned by the post office
12,244	Additional returned mail received annually
/ 252	Work days per year
49	Additional returned mail received daily
/ 440	# of documents a RPT I can process daily
0.11	= .11 FTE needed to process additional returned mail

Written Correspondence

It is estimated that 5% of the suspensions will result in written correspondence to the Department from the individuals receiving the notice. This will require staff to research the issues presented in the correspondence and prepare a written response. A processing technician is expected to research and prepare 30 written responses received daily. It is assumed they can be handled by the FTE estimated below.

37,102	Additional FACT Suspension received annually
x 5%	Percent which will generate written correspondence
1,855	Additional written correspondence received annually
/ 252	Work days per year
7	Additional written correspondence received daily
/ 30	# of documents a RPT I can process daily
0.23	= .23 FTE needed to process additional written correspondence

Reinstatements

Based on FY17 statistics, the Department estimates that 35% of those individuals who are suspended will submit their reinstatement requirements in order to reinstate their driving privilege. The Department assumes the same rate for this program. A processing technician is expected to process 440 documents daily and another processing technician is expected to process 346 reinstatement fees daily.

ASSUMPTION (continued)

Same-day service for Statewide Reinstatements:

37,102	Additional FACT Suspension received annually
x 35%	Percent submitting reinstatement requirements
12,986	Additional reinstatement filings received annually
/ 252	Work days per year
52	Additional reinstatement filings received daily
/ 440	# of documents a RPT I can process daily
0.12	= .12 FTE needed to process additional reinstatements collected.

Reinstatement Fees:

12,986	Additional reinstatement fees received annually
/ 252	Work days per year
52	Additional reinstatement fees received daily
/ 346	# of documents a RPT I can process daily
0.15	= .15 FTE needed to process additional reinstatement fees.

Note: Processing FACT suspensions (.33 FTE), processing FACT compliances (.18 FTE), answering telephone inquiries (1.33 FTE), processing returned mail (.11 FTE), processing written correspondence (.23 FTE), processing reinstatement in field office (.12 FTE), and processing reinstatement fees (.15 FTE) functions equal 2.45 FTE which would be rounded to two (2) FTE.

Total of 2 Revenue Processing Tech I required at \$24,360 annually.

FY2020: \$20,300 (10 months) x 2 FTEs = \$40,600

FY2021: \$24,604 yearly salary x 2 FTEs = \$49,207

FY2022: \$24,850 yearly salary x 2 FTEs = \$49,699

Increased Postage, Envelope, & Printing Costs

First Class Mail Costs:

Suspension notices = 37,102 per year
Reinstatement notices = 12,852 per year
Correspondence letters = 1,855 per year
Total pieces of mail = 51,809

FY2020: 51,809/12 mos. = 4,317.4 x 10 mos. = 43,174 pcs. of mail in the first year after bill passage x \$0.50 = \$21,587 first class postage cost

ASSUMPTION (continued)

FY2021: 51,809 x \$0.50 = \$26,552 first class postage cost (includes inflation)
FY2022: 51,809 x \$0.50 = \$27,216 first class postage cost (includes inflation)

Envelope Costs:

Total envelopes = 51,809 per year

FY2020 51,809/12 mos. = 4,317.4 x 10 mos. = 43,174 envelopes in the first year after bill
passage x \$0.04 = \$1,727 envelope cost
FY2021: 51,809 x \$0.04 = \$2,124 envelope cost (includes inflation)
FY2022: 51,809 x \$0.04 = \$2,177 envelope cost (includes inflation)

Letter printing cost

51,809 letters per year

FY2020: 51,809/12 mos. = 4,317.4 x 10 mos. = 43,174 pcs. of mail in the first year after
bill passage x \$0.076 per 1,000 = \$3.00 (43,000/1000 = 43 x \$0.076 = \$3.27)
FY2021: 51,809 * \$.04 = \$4.00 printing cost (52,000/1000 = 52 * \$.076 = \$3.95) (includes
inflation)
FY2022: 51,809 * \$.04 = \$4.00 printing cost (52,000/1000 = 52 * \$.076 = \$3.95) (includes
inflation)

Total Postage, Envelope, Printing Costs:

FY2020: \$21,587 (1st class) + \$1,727 (envelopes) + \$3.00 (printing) = \$23,317
FY2021: \$26,552 (1st class) + \$2,124 (envelopes) + \$4.00 (printing) = \$28,650
FY2022: \$27,216 (1st class) + \$2,177 (envelopes) + \$4.00 (printing) = \$29,397

Revenue Impact

DLB

Based on FY 2018 statistics, the Department estimates that 35% of those individuals who are suspended will submit the reinstatement fee. The Department assumes the same rate for this program. This will result in 12,986 reinstatement fees collected annually.

The reinstatement fee for an Instate Failure to Appear Suspension is \$20.

Total Increase in reinstatement fees collected annually = \$259,720 (12,986 x \$20 reinstatement fee)

ASSUMPTION (continued)

Fees collected will be distributed 75% Highway Fund, 15% Cities, and 10% Counties.

FY2020

\$259,720	Increase in reinstatement fees collected annually
/ 12	Number of months in a year
\$ 21,643	Increase in reinstatement fees collected monthly
x 10	Number of months in first year after bill passage
\$216,430	Increase in reinstatement fees collected in first year after bill passage

$\$216,430 \times 75\% = \$162,323$ - Highway Fund

$\$216,430 \times 15\% = \$32,464$ - Cities

$\$216,430 \times 10\% = \$21,643$ - Counties

FY2020

$\$259,720 \times 75\% = \$194,790$ - Highway Fund

$\$259,720 \times 15\% = \$38,958$ - Cities

$\$259,720 \times 10\% = \$25,972$ - Counties

FY2021

$\$259,720 \times 75\% = \$194,790$ - Highway Fund

$\$259,720 \times 15\% = \$38,958$ - Cities

$\$259,720 \times 10\% = \$25,972$ - Counties

DOR notes the legislation excludes St. Louis and Kansas City, meaning the Department of Revenue will continue to be unable to suspend an individual's drivers license if the moving traffic violation occurred in St. Louis or Kansas City. While we can confidently say this will reduce the impact that this provision has compared to the version without any municipality exclusions, we have no way to determine how much of a reduction.

Oversight does not have information to the contrary; therefore, Oversight will reflect the revenue estimates as "less than" the amounts provided by the Department of Revenue.

In response to a similar legislation from 2019 (HCS for HB 427), officials at the **City of Kansas City** assumed this legislation would have a positive fiscal impact on the City of Kansas City, Missouri, for the following reasons:

ASSUMPTION (continued)

- It sets forth a procedure for suspension of driving privileges by the Department of Revenue if non-minor traffic violations are not disposed of. For some people, the only reason to actually appear and/or pay a ticket is to keep a driver's license from being suspended. Incentive to keep a driver's license equals more fine payments.
- It changes the definition of minor traffic violations. Excluded from the fine limitations are no insurance tickets, speeding more than 15 miles over the speed limit (as opposed to the 19 miles over currently) and most importantly, original charges that are non-minor traffic violations that are amended to non-moving violations. An example would be a Driving While Suspended charge. If reinstated, our typical amendment is to an improper registration charge. Prior to the restrictions, our recommended fines were \$300 plus costs. After restriction, the City could only charge \$175 plus costs. Every day, our Municipal Court gets requests from attorneys wanting to amend a higher speed charge to defective equipment for larger fines rather than a probation and we cannot oblige due to the restrictions.

In response to a similar legislation from 2019 (HCS for HB 427), officials at the **City of Springfield** assumed a positive fiscal impact to the City of more than \$500,000 from this legislation.

In response to a similar legislation from 2019 (HCS for HB 427), officials at the **City of Excelsior Springs** assumed an unknown negative fiscal impact from this legislation.

§304.153 - Towing Task Force

Officials from the each **Department of Transportation, Department of Public Safety - Missouri Highway Patrol** and **Missouri Senate** each assume the legislation will have no fiscal impact on their respective organizations.

Officials from the **Missouri House of Representatives** assume any expenses for members serving on the task force could be absorbed; therefore, there is no fiscal impact.

Officials from the **Department of Revenue (DOR)** assume there would be an unknown cost associated with the member or member's designee appointed by the director of the department for the Towing Task Force. This impact is expected to be minimal. DOR anticipates these costs can be absorbed; therefore, there is no fiscal impact.

ASSUMPTION (continued)

Oversight notes that the agencies mentioned above have each stated the legislation would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies for this section.

Bill as a Whole

Oversight notes there are several sections within this legislation that will result in an administrative impact to DOR. Oversight has summarized this information below.

FY 2020:

Position	Number of Hours	Cost
Management Analyst I	1,815	\$33,431
Management Analyst II	3,087	\$63,500
Administrative Analyst II	1,992	\$34,124
Administrative Analyst III	210	\$4,147
Administrative Office Support Assistant	30	\$414
Revenue Manager	1,096	\$22,567
Total	8,230	\$158,183

Oversight assumes DOR may hire additional staff due to the amount of hours required to implement this legislation. However, DOR also may handle this internal work without seeking additional appropriation authority. Oversight assumes DOR may hire additional FTE to staff for the positions listed above that are anticipated to need over 2,080 hours of work (full-time employee) or 1,040 hours of work (half-time employee). There are six positions that will require more than 1,040 hours; therefore, Oversight will range the fiscal impact to DOR from \$0 (work hours specified above will be handled by existing staff with no actual additional state expenditures) to an additional 6 FTE for FY 2020 (\$238,970) only.

Oversight notes there are several sections within this legislation that will require OA-ITSD services. Oversight has summarized the OA-ITSD costs in the table below. For simplicity purposes, Oversight will reflect the OA-ITSD costs to the General Revenue Fund as one line item.

ASSUMPTION (continued)

Section Number(s)	Estimated OA-ITSD Hours	Estimated OA-ITSD Cost	Page Numbers
§136.055	724	\$54,270	p. 11
§§144.070 & 301.032	1,134	\$85,050	p. 18
§301.067	206	\$15,471	p. 23
§§301.020, 301.191 & 307.350	1,240	\$92,988	p. 28
§§302.170, 302.720 & 302.768	1,647	\$123,525	p. 41
	4,951	\$371,304	

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to various systems. Independently, ITSD estimated the projects would take 4,951 hours at a contract rate of \$75 per hour for a total cost to the state of \$371,304. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire three additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$371,304) to hiring three additional FTE IT Specialists (roughly \$80,000 per year).

Oversight notes approximately 4,951 hours will be required for OA-ITSD services in FY 2020 for this legislation. Oversight assumes this will equate to approximately 2.4 staff (rounded up to 3 staff for simplicity purposes); therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$371,304) to hiring three additional FTE IT Specialists (approximately \$240,000).

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2020 (6 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
GENERAL REVENUE FUND				
<u>Cost - §32.303 -</u> DOR - IT costs for potential statewide implementation p. 5	\$0	\$0	\$0 or \$0 to (\$400,000)	\$0
<u>Cost - §32.303 -</u> DOR - one-time vendor hardware cost for mobile driver license program p. 5	(\$350,000)	\$0	\$0	\$0
<u>Cost - DOR - ITSD</u> costs (ranged from contracting out programming (\$371,304) to hiring three (3) additional FTE IT Specialists) p. 45	(\$199,895) to (\$371,304)	\$0 or (241,895)	\$0 or (\$243,936)	\$0 or (\$243,936)
FTE Change	0 or 3 FTE	0 or 3 FTE	0 or 3 FTE	0 or 3 FTE
<u>Cost - Bill as Whole</u> Administrative costs (ranged from \$0 or up to costs of one (6) FTE for FY 2020) p. 44	\$0 or \$0 to (\$238,970)	\$0	\$0	\$0
FTE Change	0 or 6 FTE	0 FTE	0 FTE	0 FTE

FISCAL IMPACT -

State Government

	FY 2020 (6 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
Cost - §302.341 - DOR p. 41				
Personal Service	(\$40,600)	(\$49,207)	(\$49,699)	(\$50,196)
Fringe Benefits	(\$33,391)	(\$40,217)	(\$40,367)	(\$40,519)
Equipment and Expenses	<u>(\$44,483)</u>	<u>(\$29,662)</u>	<u>(\$30,404)</u>	<u>(\$31,164)</u>
Total Cost - DOR	<u>(\$118,747)</u>	<u>(\$119,086)</u>	<u>(\$120,470)</u>	<u>(\$121,879)</u>
FTE Change - DOR	2 FTE	2 FTE	2 FTE	2 FTE

**ESTIMATED NET
EFFECT ON THE
GENERAL
REVENUE FUND**

Could exceed (\$668,642) to <u>(\$1,079,021)</u>	Could exceed (\$119,086) to <u>(\$360,981)</u>	Could exceed (\$120,470) to <u>(\$764,406)</u>	Could exceed (\$121,879) to <u>(\$365,815)</u>
---	---	---	---

Estimated net FTE
change to the
General Revenue
Fund (DOR + ITSD)

2 to 9 FTE	2 to 5 FTE	2 to 5 FTE	2 to 5 FTE
------------	------------	------------	------------

**BRAIN INJURY
FUND**

Loss - §§302.020 &
302.026 DHSS - loss
of fine revenue due
to helmets no longer
being required p.
31

<u>(\$833)</u>	<u>(\$1,000)</u>	<u>(\$1,000)</u>	<u>(\$1,000)</u>
----------------	------------------	------------------	------------------

**ESTIMATED NET
EFFECT ON THE
BRAIN INJURY
BUND**

<u>(\$833)</u>	<u>(\$1,000)</u>	<u>(\$1,000)</u>	<u>(\$1,000)</u>
-----------------------	-------------------------	-------------------------	-------------------------

FISCAL IMPACT -
State Government
 (continued)

FY 2020 (6 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
--------------------	---------	---------	-----------------------------------

HIGHWAY FUND

Revenue - §136.055
 - increased
 processing fees for
 licenses,
 registrations, notice
 of liens and notary
 services p. 8-13

\$2,277,171 or \$22,459,083	\$2,732,606 or \$26,950,900	\$2,732,606 or \$26,950,900	\$2,732,606 or \$26,950,900
--------------------------------	--------------------------------	--------------------------------	--------------------------------

Revenue - §144.070
 - potential of up to
 673 lease rental
 companies paying
 \$250 annual fee p.
 14-16

Up to \$105,156	Up to \$126,187	Up to \$126,187	Up to \$126,187
-----------------	-----------------	-----------------	-----------------

Revenue - §301.191
 - MHP - increased
 fee for homemade
 trailer inspections p.
 21

Up to \$59,753	Up to \$119,505	Up to \$119,505	Up to \$119,505
----------------	-----------------	-----------------	-----------------

Revenue- §301.032 -
 increased per plate
 fees for lease rental
 companies (ranged
 from \$24 passenger
 vehicle registration
 fee to \$46 truck
 registration fee) p.
 14-16

(\$105,000) to \$87,500	(\$126,000) to \$105,000	(\$126,000) to \$105,000	(\$126,000) to \$105,000
----------------------------	-----------------------------	-----------------------------	-----------------------------

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2020 (6 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
<u>Revenue - §302.341</u> - DOR - Reinstatement fees p. 42-43	\$162,323	\$194,790	\$194,790	\$194,790
<u>Revenue - §302.720</u> - Increase in commercial permit fees p. 36-37	\$51,959	\$62,351	\$62,351	\$62,351
<u>Savings - §§301.020</u> & 307.350 - MHP - reduction of Motor Vehicle Inspection program (personal services + fringe benefits) p. 22 FTE Change - MHP	\$0 to \$213,727 (0 to 7 FTE)	\$0 to \$427,454 (0 to 7 FTE)	\$0 to \$427,454 (0 to 7 FTE)	\$0 to \$427,454 (0 to 7 FTE)
<u>Cost - §§300.155 &</u> <u>304.281 - MoDOT -</u> additional signs p. 17	(\$20,700)	\$0	\$0	\$0
<u>Loss - §§301.020 &</u> <u>307.350 - MHP -</u> inspection fees p. 20	(More than \$287,514) to <u>(\$610,052)</u>	(More than \$575,028) to <u>(\$1,220,103)</u>	(More than \$575,028) to <u>(\$1,220,103)</u>	(More than \$575,028) to <u>(\$1,220,103)</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>\$1,920,560 to</u> <u>\$22,831,287</u>	<u>\$1,889,336 to</u> <u>\$27,411,159</u>	<u>\$1,889,336 to</u> <u>\$27,411,159</u>	<u>\$1,889,336 to</u> <u>\$27,411,159</u>
Estimated Net FTE Change to the Highway Fund	(0 to 7 FTE)	(0 to 7 FTE)	(0 to 7 FTE)	(0 to 7 FTE)

<u>FISCAL IMPACT - State Government (continued)</u>	FY 2020 (6 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
HIGHWAY PATROL INSPECTION FUND				
<u>Loss - §§301.020 & 307.350 - MHP - inspection fees p. 20</u>	(More than \$143,757) to <u>(\$294,289)</u>	(More than \$287,514) to <u>(\$588,578)</u>	(More than \$287,514) to <u>(\$588,578)</u>	(More than \$287,514) to <u>(\$588,578)</u>
ESTIMATED NET EFFECT ON THE HIGHWAY PATROL INSPECTION FUND				
	(More than \$143,757) to <u>(\$294,289)</u>	(More than \$287,514) to <u>(\$588,578)</u>	(More than \$287,514) to <u>(\$588,578)</u>	(More than \$287,514) to <u>(\$588,578)</u>

FISCAL IMPACT -

Local Government

FY 2020
(6 Mo.)

FY 2021

FY 2022

Fully
Implemented
(FY 2023)

**LOCAL
POLITICAL
SUBDIVISIONS**

Revenue - §136.055
 - Cities (15%) -
 increased processing
 fees for licenses,
 registrations, notice
 of liens and notary
 services p. 8-13

\$455,434 or
\$4,491,817

\$546,521 or
\$5,390,180

\$546,521 or
\$5,390,180

\$546,521 or
\$5,390,180

Revenue - §136.055
 - Counties (10%) -
 increased processing
 fees for licenses,
 registrations, notice
 of liens and notary
 services p. 8-13

\$303,623 or
\$2,994,544

\$364,347 or
\$3,593,453

\$364,347 or
\$3,593,453

\$364,347 or
\$3,593,453

Revenue - §144.070
 - Cities (15%) -
 potential of up to
 673 lease rental
 companies paying
 \$250 annual fee p.
 14-16

Up to \$21,031

Up to \$25,238

Up to \$25,238

Up to \$25,238

<u>FISCAL IMPACT -</u> <u>Local Government</u> (continued)	FY 2020 (6 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
<u>Revenue - §144.070</u> - Counties (10%) - potential of up to 673 lease rental companies paying \$250 annual fee p. 14-16	Up to \$14,022	Up to \$16,825	Up to \$16,825	Up to \$16,825
<u>Revenue- §301.191 -</u> Sheriffs - increased fee for homemade trailer inspections p. 21	Up to \$59,753	Up to \$119,505	Up to \$119,505	Up to \$119,505
<u>Revenue - §301.032</u> - Cities (15%) - increased per plate fees for lease rental companies (ranged from \$24 passenger vehicle registration fee to \$46 truck registration fee) p. 14-16	(\$21,000) to \$17,500	(\$25,200) to \$21,000	(\$25,200) to \$21,000	(\$25,200) to \$21,000
<u>Revenue - §301.032</u> - Counties (10%) - increased per plate fees for lease rental companies (ranged from \$24 passenger vehicle registration fee to \$46 truck registration fee) p.14-16	(\$14,000) to \$11,667	(\$16,800) to \$14,000	(\$16,800) to \$14,000	(\$16,800) to \$14,000

<u>FISCAL IMPACT -</u> <u>Local Government</u> (continued)	FY 2020 (6 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
<u>Revenues - §302.341</u> - Cities (15%) - reinstatement fees p. 42-43	Less than \$32,464	Less than \$38,958	Less than \$38,958	Less than \$38,958
<u>Revenues -</u> §302.341 - Counties (10%) - reinstatement fees p. 42-43	Less than \$21,643	Less than \$25,972	Less than \$25,972	Less than \$25,972
<u>Revenues -</u> §302.341 - City of Kansas City - changes procedures for fine payments p. 43-44	Unknown	Unknown	Unknown	Unknown
<u>Revenues -</u> §302.341 - City of Springfield - reversing limitation placed on fine amounts p. 44	Greater than \$500,000	Greater than \$500,000	Greater than \$500,000	Greater than \$500,000
<u>Revenue - §302.720</u> - Cities (15%) - Increase in commercial permit fees p. 36-37	\$10,392	\$12,472	\$12,472	\$12,472
<u>Revenue - §302.720</u> - Counties (10%) - Increase in commercial permit fees p. 36-37	\$6,928	\$8,314	\$8,314	\$8,314

<u>FISCAL IMPACT -</u> <u>Local Government</u> (continued)	FY 2020 (6 Mo.)	FY 2021	FY 2022	Fully Implemented (FY 2023)
<u>Costs</u> - §§300.155 & 304.281 - additional signs p. 17	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss</u> - §302.341 - City of Excelsior Springs - fees associated with minor traffic violations p. 44	(Unknown)	(Unknown)	(Unknown)	(Unknown)
 ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	 \$1,390,290 to <u>\$8,180,592</u>	 \$1,616,152 to <u>\$9,765,917</u>	 \$1,616,152 to <u>\$9,765,917</u>	 \$1,616,152 to <u>\$9,765,917</u>

FISCAL IMPACT - Small Business

§136.055

Contract offices could see an increase in processing fees collected for motor vehicle/marine titles, registrations, notice of liens, driver license, instruction permits, nondriver license, and notary transactions.

Small businesses that register vehicle or conduct other business at fee offices could pay more for these services.

Small businesses that sell motor vehicles would be impacted by additional requirements within this legislation.

§§144.070 & 301.032

Leasing or rental companies will be required to pay an annual fee of \$250 to operate as a leasing or rental company.

License Offices may lose out on license transfer fees due to this legislation.

§§301.020 & 302.750

MHP noted each inspection station is allowed to retain \$10.50 of the \$12.00 inspection charge. With this committee substitute causing there to be approximately 1,177,156 less inspections per year (2,530,356 minus 1,353,200), there would be a loss of revenue to those stations of approximately \$12,360,138 per year (1,177,156 x \$10.50).

Oversight assumes there will be an unknown fiscal impact to small businesses as a result of this legislation; however, Oversight was unable to verify the data provided by MHP.

§§302.170, 302.720 & 302.768

The overall impact to small business is unknown. The mandate to complete FMCSA-approved CDL entry-level driver training will increase costs for businesses requirements for CDL operators. The newly required training may also result in increased revenue for new or current CDL training programs since all new and upgrading CDL applicants would now be required to attend a formal training program to become eligible for CDL skills testing and licensing.

The proposed changes in §302.720.1 may result in a loss of license office agent fees of a combined total of \$4,675 (total statewide) due to the change in commercial permit issuance terms, thus prohibiting permit renewal.

FISCAL IMPACT - Small Business (continued)

The proposed changes in §302.768 may result in a loss of license agent fees statewide. Based on the FY 2018 statistics for medical certificate update transactions completed, and the \$2 agent processing fee currently collected, contract license offices may lose a combined total of approximately \$167,868 since drivers' information would be received electronically, thus eliminating the requirement for an applicant to return to the license office to update the medical certificate information.

FISCAL DESCRIPTION

This bill enacts provisions relating to motor vehicles.

This legislation is 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
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Public Safety - Missouri Highway Patrol
Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Department of Corrections
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Department of Natural Resources
Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions and Professional Registration
State Tax Commission
Missouri Senate
Missouri House of Representatives

L.R. No. 0387-09
Bill No. Truly Agreed To and Finally Passed CCS No. 2 for HCS for SCS for SB 147
Page 58 of 58
June 25, 2019

SOURCES OF INFORMATION (continued)

City of Kansas City
City of Springfield
City of Excelsior Springs



Kyle Rieman
Director
June 25, 2019

Ross Strobe
Assistant Director
June 25, 2019