

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4390-03
Bill No.: SCS for HB 1963
Subject: Aircraft and Airports; Consumer Protection; Disabilities; Economic Development; Emergencies; Eminent Domain and Condemnation; Highway Patrol; Insurance - Automobile; Licenses - Motor Vehicle; Licenses - Driver's; Licenses - Miscellaneous; Motor Vehicles; Optometry; Political Subdivisions; Railroads; Roads and Highways; Transportation; Taxation - Property
Type: Original
Date: May 1, 2020

Bill Summary: This proposal modifies provisions relating to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
General Revenue*	(\$3,618,802 to \$3,835,140)	(\$578,058 to \$835,142)	(\$579,474)	(Could exceed \$9,247,905)
Total Estimated Net Effect on General Revenue	(\$3,618,802 to \$3,835,140)	(\$578,058 to \$835,142)	(\$579,474)	(Could exceed \$9,247,905)

*Oversight notes the majority of FY 2025 impact (\$8,847,000) represents a continuation of existing sales tax exemptions currently set to expire December 31, 2023 (§144.805).

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 40 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Aviation Trust Fund (0952)*	\$0	\$0	\$0	\$4,979,858
Blind Pension Fund (0621)	\$0 to (\$200)	\$0 to (\$200)	\$0 to (\$200)	\$0 to (\$200)
Conservation Commission Fund (0609)*	\$0	\$0	\$0	(\$161,131)
Highway Fund (0644)	\$3,750	\$4,500	\$4,500	\$4,500
Parks, Soil, & Water Funds (0613 & 0614)*	\$0	\$0	\$0	(\$128,905)
School District Trust Fund (0688)*	\$0	\$0	\$0	(\$1,289,047)
Water Patrol Division Fund (0400)	\$0	\$0	Less than \$25,000	Less than \$25,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$3,350 to \$3,750	\$4,300 to \$4,500	\$29,300 to \$29,500	\$3,430,075 to \$3,430,275

*Oversight notes this represents a continuation of existing sales tax exemptions that are currently set to expire December 31, 2023. (§144.805).

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
General Revenue	3 to 7 FTE	3 to 7 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 to 7 FTE	3 to 7 FTE	3 FTE	3 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 2021	FY 2022	FY 2023	Fully Implemented (FY 2025)
Local Government*	\$1,250 to (\$33,750)	\$1,500 to (\$33,500)	\$1,500 to (\$33,500)	(\$11,798,500 to \$11,833,500)

*Oversight notes this represents a continuation of existing sales tax exemptions that are currently set to expire December 31, 2023.

FISCAL ANALYSIS

ASSUMPTION

§§32.300- Remote Driver's License Renewal System

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

The Department anticipates requiring resources to communicate with optometrists, and to review vision examinations that are submitted. Due to the limited time for analysis for this fiscal note, it is unknown the amount of FTE required, but anticipates needing 0-4 FTE. If the impact of this provisions is too significant for our current staff to absorb, additional FTE will be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR notes OA-ITSD services for system requirements for optometrist/DOR vision exam submission will be required at a cost of **\$336,528** (3,542,.40 hours x \$95 per hour) in FY 2021.

DOR also notes OA-ITSD services for the mobile driver's license renewal system will be required at a cost of **\$1,664,226** in FY 2021.

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

§137.115 - Taxation of Aircraft

In response to a similar proposal from 2019 (HB 1205), officials at the **Office of Administration Division of Budget and Planning (B&P)** assumed this proposal makes multiple technical corrections to Sections 137.115. This proposal also changes the allowed hours of flying for historical aircraft. This could increase the number of aircraft that are eligible for a reduced property tax rate. Based on information provided by the State Tax Commission, this could decrease revenues to the Blind Pension Trust Fund by \$0 to \$500. This could also decrease local revenues by \$0 to \$90,000.

This proposal will decrease Total State Revenue by up to \$500 and will impact the calculation under Article X, Section 18(e).

ASSUMPTION (continued)

In response to a similar proposal from 2019 (HB 1205), officials at the **State Tax Commission** estimated the fiscal impact to local jurisdictions (school districts, cities, counties etc) to be a loss of zero to \$35,000. The change in §137.115 regarding non commercial aircraft, twenty five years old, from fifty (current law) to one hundred hours per year could have a fiscal impact on local taxing jurisdictions.

The agency does not have exact data of how many of the 905 aircraft in Missouri are within this criteria and threshold, however in 2016 HB 2784 (which did not become law) changed the number of hours to two hundred and fifty, the agency calculated the fiscal impact of that change to be up to \$90,000 to local taxing jurisdictions.

Oversight will utilize the estimate (\$35,000) provided by the State Tax Commission, assuming the \$90,000 potential loss of tax revenue estimate was based on a prior year's bill increasing the flight hours to 250 instead of 100 as proposed in this bill. Oversight has adjusted the Blind Pension Fund impact to approximately \$200 (levy of \$0.03 of an average of approximately \$7.00 x \$35,000 = \$150).

In response to a similar proposal from 2019 (HB 1205), officials at the **Department of Economic Development, Public Service Commission and Department of Revenue** each assumed there would be no fiscal impact from this proposal.

In response to a similar proposal from 2019 (HB 1205), officials at the **Clay County Assessor's Office** assumed this would have little impact on the County.

Oversight notes that the agencies mentioned above have stated the proposal 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.

§§143.441 & 144.805 - Aviation Taxation

In response to a similar proposal from 2020 (HCS for HB 2303), officials from **Department of Revenue (DOR)** assumed Section 143.441 adds freight forwarders to the definition of corporations. DOR assumes an unknown impact on Total State Revenue and General Revenue. Additionally, the proposal would extend the sunset date on the aviation jet fuel tax in Section 144.805. This tax was to sunset on December 31, 2023 and is extended to December 31, 2033.

The extension of the sunset date will not fiscally impact the Department.

ASSUMPTION (continued)

For informational purposes, DOR provided the amount collected each of the last four years.

FY 2015	\$4,823,355
FY 2016	\$4,663,184
FY 2017	\$3,889,020
FY 2018	\$6,543,872

Oversight notes this proposal would continue to exempt jet fuel from state sales and use tax and local sales tax after the first \$1.5 million in state sales and use tax is paid. Aviation jet fuel for federal grant recipients, airports that have been approved for federal grant funds or which are otherwise eligible to apply for federal grant funds, would be exempt from local sales and use tax, at the rates that were in effect December 30, 1987.

Oversight Estimation of Forgone Sale and Use Tax Collection

The average sales tax collection by DOR between FY 2015 and FY 2018 was \$4,979,858.

Per U.S. Energy Information Administration the average purchase of jet fuel in Missouri between FY 2015 and FY 2018 was \$ 294.9 Million.

The average annual cost to the state is estimated as follows (on \$294.9 million of jet fuel sales):

Tax	Potential collection	Actual collection	Difference (forgone tax)
3% GR Sales Tax	\$8,847,000	\$0	(\$8,847,000)
Aviation Trust Fund	\$0	\$4,979,858	\$4,979,858
1% School District Trust	\$2,949,000	\$1,659,953	(\$1,289,047)
1 % Park, Soil, Water	\$294,900	\$165,995	(\$128,905)
125% Conservation	\$368,625	\$207,494	(\$161,131)
Total Tax	\$12,459,525	7,013,300	(\$5,446,225)

** Estimate does not include the loss generated by section 144.809 of this proposal.*

ASSUMPTION (continued)

Oversight used the above calculation to estimate the annual Local Sale tax loss as follows:

Oversight notes roughly the average local rate of sales & use tax percentage in Saint Louis Lambert International Airport (Lambert) and Kansas City International Airport (KCI) is 4.4 %. Therefore, Oversight will show fiscal impact to local political subdivisions as \$11.8 M (294 M (Avg. Jet Fuel Purchase) x 4.4%).

Oversight notes DOR indicated they did not anticipate a reduction in funding from Section 144.807, relative to what is currently collected, because the department is collecting \$0 revenue due to the exemption in current law. However, Oversight considers the extension of a sunset date as having an impact because the baseline of current law assumes the exemption would cease and the money would have been collected if not for this bill. Therefore, Oversight will show an unknown negative fiscal impact to General Revenue for the extension of the sales tax exemption authorized in Section 144.807.

Oversight has estimated the loss to political subdivisions as shown above for exempting aviation jet fuel used or consumed at airports which are recipients of federal grant funds, or have applied for or been approved for federal grant funds, from local sales and use tax, at the rates that were in effect December 30, 1987. Oversight assumes this proposed legislation would extend an existing provision by removing or changing the expiration date. Oversight also assumes that removing or changing the expiration date would extend any fiscal impact associated with the existing provision; therefore, Oversight will include an estimated impact in this fiscal note.

In response to a similar proposal from 2020 (HCS for HB 2303), officials from the **Department of Transportation, Department of Natural Resources, and Missouri Department of Conservation** each deferred to the DOR to estimate the fiscal impact of the proposed legislation on their respective organization.

In response to a similar proposal from 2020 (HCS for HB 2303), officials from **Department of Natural Resources (DNR)** assumed extending the sales tax exemption for aviation jet fuel could decrease the future amount of incoming revenues available in the Parks and Soils Sales Tax Funds for long term operation of Missouri's state parks and historic sites as well as assistance to agricultural landowners through volunteer programs.

The Department's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, the sales tax exemption could result in an unknown loss to the Parks and Soils Sales Tax Funds.

ASSUMPTION (continued)

Oversight used the above calculation to estimate the annual Local Sale tax loss as follows:

Oversight notes roughly the average local rate of sales & use tax percentage in Saint Louis Lambert International Airport (Lambert) and Kansas City International Airport (KCI) is 4.4 %. Therefore, Oversight will show fiscal impact to local political subdivisions as \$11.8 M (294 M (Avg. Jet Fuel Purchase) x 4.4%).

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The Department's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, the sales tax exemption could result in an unknown loss to the Parks and Soils Sales Tax Funds.

ASSUMPTION (continued)

§144.070 - Motor Vehicle Dealer Provisions

Officials from the **Department of Revenue (DOR)** assume the proposal will have no fiscal impact on their organization. DOR notes current statute authorizes dealers to collect sales tax; however, none currently do.

Oversight notes that DOR has stated the proposal 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 DOR.

§227.600 - Tube Transport System

In response to a previous version, officials from the **Department of Transportation, Office of the Governor** and **Office of Administration** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal 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.

§§300.010 & 407.815 - Composition of Off-Highway Vehicles

In response to a similar proposal from 2020 (SCS for SB 876), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

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

- Update procedures;
- Update website;
- Provide notification to Powersport dealers; and
- Train staff.

FY2021- Motor Vehicle Bureau

Administrative Analyst I	20 hrs. @\$14.70 per hr.	= \$	294
Revenue Manager	10 hrs. @ \$20.59 per hr.	= \$	206
		= \$	500

ASSUMPTION (continued)

FY 2021- Strategy and Communications Office

Management Analysis Specialist I	10 hrs. @ \$18.42 per hr.	= \$	184
Administrative Analyst II	20 hrs. @ \$18.75 per hr.	= \$	375
		= \$	559

Total Costs = \$ **1,059**

The Department anticipates that we will be able to absorb the above listed administrative costs. If multiple bills pass that require Department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Revenue Impact

The Department assumes that any unit that weighs less than 1,500 pounds and has a straddle seat, regardless of the width, will be considered an ATV, which must be titled and registered. However, the Department is unable to estimate if this change will have any effect on the number of units that would be titled and registered. Therefore, the Department cannot estimate the revenue impact.

Oversight is unsure of how many ATVs will now be titled and registered as a result of this proposal; therefore, Oversight will reflect an “Unknown” positive increase in revenue to the General Revenue fund. Oversight notes DOR’s website indicated a title fee of \$8.50, a registration (decal) fee of \$10.25 and a processing fee of \$6 for a total of \$24.75 per ATV.

In response to a similar proposal from 2020 (SCS for SB 876), officials from the **Missouri Department of Conservation, Department of Commerce and Insurance, Department of Transportation, Department of Natural Resources, Attorney General’s Office, Department of Public Safety - Missouri Highway Patrol, Department of Agriculture and Office of Administration** each assumed the proposal would have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Oversight notes that the agencies mentioned above have stated the proposal 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.

§301.030 - Motor Vehicle Registration Periods

In response to a previous version, officials from the **Department of Revenue, Department of Transportation** and **Department of Public Safety - Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal 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.

§301.032 - Registration Fees for Fleet Vehicles

In response to a similar proposal from 2020 (HB 2444), officials from the **Department of Revenue** assumed the proposal would have no fiscal impact on their organization.

In response to a similar proposal from 2020 (HB 2444), officials from the **Department of Transportation** deferred to DOR for the fiscal impact of this proposal.

Oversight notes that the agencies mentioned above have stated the proposal 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.

Upon further inquiry, **DOR** noted no fleet registrations have been received thus far.

Oversight notes subsection 301.032.6 was added to the Missouri Revised Statutes in 2019 (SB 89). Oversight assumes this proposal may possibly impact future revenues (or it could simply be clarifying language); however, since no fleet registration fees have been collected regarding this subsection thus far, Oversight will not reflect a fiscal impact from these changes.

§§301.140, 301.190, 301.210, 301.213, 301.280 & 301.560 - Transportation Provisions

In response to a similar proposal from 2020 (SCS for SB 780), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

ASSUMPTION (continued)

Administrative Impact

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

- Update internal procedures;
- Update the department website;
- Update the Missouri Titling Manual and Dealer Operating Manual;
- Create a new form;
- Update title penalty chart
- Train internal staff;
- Implement ITSD changes; and
- Send communications to power sport and motor vehicle dealers.

FY 2021 – Motor Vehicle Bureau

Administrative Analyst I	80 hrs. @ \$14.70 per hr.	= \$1,176.00
Management Analysis Specialist I	120 hrs. @ \$18.42 per hr.	= \$2,210.40
Management Analysis Specialist II	30 hrs. @ \$20.57 per hr.	= \$ 617.10
Revenue Manager	10 hrs. @ \$20.59 per hr.	= \$ 205.90

FY 2021 – Strategy and Communications Office

Management Analysis Specialist I	50 hrs. @ \$18.42 per hr.	= \$ 921.00
Administrative Analyst II	20 hrs. @ \$18.75 per hr.	= \$ 375.00

Total Costs = \$5,505.40

Oversight assumes DOR could absorb these additional responsibilities (listed above) within their current appropriation levels.

FTE Impact

DOR anticipated the need for three (3) additional FTE positions (2 FTE Management Analysis Specialists I at \$38,304 annually and 1 FTE Admin. Office Support Assistant at \$28,668 annually) to review and process these transactions. Anytime a dealer fails to provide a title to a purchaser within 60 days of the purchase date, the Department must take action against the selling dealers bond, and determine the amount in which the bond payout will be. DOR will also have to handle appeals when the bond claim decision the Director makes a determination of is appealed. Due to the complex nature of these transactions, the department requires two of these positions be Management Analysis Specialists I and one position be an Administrative Office Support Assistant to implement the proposed legislation.

ASSUMPTION (continued)

Total Number of Dealer Sales Per Calendar Year

2017 – 1,200,814

2018 – 1,179,181

2019 – 1,184,036

Average number of dealer sales per year – 1,188,010

The following is based on the assumption that one-half percent (0.5%) of dealer sales per year will result in the need for the director to determine the amount paid from the bond, release of the bond and prepare documents for an administrative hearing commission appeals regarding the director's determination.

1,188,010	average number of dealer sales per calendar year
x 0.5%	percentage of sales regarding dealer bond action
5,940	number of dealer sales per calendar year requiring bond action
/ 252	number of work days per year
24	number of dealer sales per work day the Department anticipates will require a bond claim determination.

DOR assumes a cost for these FTE to total approximately \$170,000 per year.

DOR also assumes the following costs to their systems:

1.	TRIPS	\$13,441
2.	Online NOS	\$13,441
3.	TRPA	\$13,441
4.	DMVC	\$13,441
5.	DNOS	\$13,441
6.	DDLRL	\$13,441
7.	Del-Fee	<u>\$20,212</u>

TOTAL	\$100,858
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In addition, DOR states due to the customer not being provided the title at the time of sale, DOR could experience an unknown loss of interest due to the delay in an unknown amount of sales tax collection.

ASSUMPTION (continued)

In response to a similar proposal from 2020 (SCS for SB 780), officials from the **Department of Transportation and Attorney General's Office** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal 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.

§301.564 - Licensure for Boat Manufacturers and Dealers

In response to a similar proposal from 2020 (HB 1489), officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MHP has stated the proposal 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 this agency.

In response to a similar proposal from 2020 (HB 1489), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

FY2020 - Motor Vehicle Bureau

The impact to the Motor Vehicle Bureau is minimal. The Department will be responsible for updating procedures, correspondence letters, and the Dealer Operating Manual. The Department will also be responsible for sending out notifications to all boat dealers and boat manufacturers via GovDelivery.

Administrative Office Support Asst.	15 hrs. @ \$13.78 per hr.	= \$206.70
Revenue Manager	5 hrs. @ \$20.59 per hr.	= \$102.95
Total		<u>\$309.65</u>

FY2020 - Administration Division, Communications Bureau

Administrative Analyst I	15 hrs. @ \$14.70 per hr.	= \$220.50
Management Analysis Spec I	15 hrs. @ \$18.42 per hr.	= \$276.30
Total		<u>\$496.80</u>

ASSUMPTION (continued)

The Department anticipates being able to absorb the costs associated with this legislation. If multiple bills pass that require Department resources, the Department may request FTE through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

§301.576 - Third-Party Motor Vehicle Reports

In response to a similar proposal from 2020 (HCS For HB 1959), officials from the **Department of Revenue, Attorney General's Office, Department of Commerce and Insurance and Office of the State Courts Administrator** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal 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.

§§301.3069 & 301.3159 - Special License Plates

In response to a similar proposal from 2020 (HCS for HB 1473), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

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

- Update procedures and the Department website;
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716);
- Communicate with the Central Missouri Honor Flight for development of the license plate;
- Develop the Meritorious Service Medal license plate design; and
- Complete programming and user acceptance testing for identified systems.

ASSUMPTION (continued)

FY 2021 - Motor Vehicle Bureau

Management Analysis Spec I	480 hrs. @ \$18.42 per hr.	= \$8,842
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FY 2021 - Strategy and Communications Office

Administrative Analyst III	20 hrs. @ \$19.80 per hr.	= \$ 396
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FY 2021 - General Services Bureau

Administrative Office Support Assistant	10 hrs. @ \$13.78 per hr.	= \$ 138
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ASSUMPTION (continued)

Total Costs		= \$9,376
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Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the administrative personnel costs related to this proposal.

Set-up cost:

DOR noted the Department is charged \$215 for the initial set-up, design, and programming for a new specialty plate for passenger, truck, RV, disabled and motorcycle plates. This is a one-time fee that will be charged for each plate upon passage of this bill for a cost of **\$430** in FY 2021.

Plate manufacturing cost:

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

It is unknown how many applicants would apply for these license plates. The Department is assuming 200 applicants per year at a cost to the Department of **\$625** (10 months) in FY 2021 and **\$750** in FY 2022 and FY 2023.

It is unknown how many eligible Missouri residents would apply for the Meritorious Service Medal plate license plate. If the Department receives 200 applicants per year, the cost to the Department would be **\$625** (10 months) in FY 2021 and **\$750** in FY 2022 and FY 2023.

ASSUMPTION (continued)

Mailings:

It currently cost the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE.

The mailing cost will be **\$93** (10 months) in FY 2021 and **\$111** in FY 2022 and FY 2023.

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

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them their plates are ready for pickup at the respective license office.

Assuming 200 applications per year for each plate at a cost of **\$206** (10 months) in FY 2021 and **\$246** in FY 2022 and FY 2023 for letters (\$0.025), envelopes (\$0.040), and postage (\$0.55).

DOR noted OA-ITSD services will be required at a cost of **\$12,620** in FY 2021 (132.84 x \$95 per hour).

In summary DOR assumes a cost of **\$14,599** in FY 2021 (\$430 + \$625 + \$625 + \$93 + \$206 + \$12,620) and **\$1,857** in FY 2022 and FY 2023 (\$750 + \$750 + \$111 + \$246).

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

Revenue Impact

DOR noted this legislation will result in an increase in the \$15 specialty plate reservation fees collected. It is unknown how many applicants will elect to obtain these specialty plates, but the increase should be minimal. \$15 specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

Oversight assumes, based on DOR's assumptions for costs associated with the specialty plates, 400 applicants may choose to receive these specialty plates (200 per each specialty plate), resulting in \$6,000 per year in revenue.

ASSUMPTION (continued)

	FY 2021 (10 Mos.)	FY 2022	FY 2023
Highway Fund	\$3,750	\$4,500	\$4,500
Cities	\$750	\$900	\$900
Counties	\$500	\$600	\$600

Source: Oversight

In response to a similar proposal from 2020 (HCS for HB 1473), officials from the **Department of Transportation (MoDOT)** deferred to DOR for the fiscal impact of this proposal.

§301.3174 - Special License Plates for the Association of Missouri Electric Cooperatives

In response to a similar proposal from 2020 (HCS for HB 2040), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

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

- Update procedures and the Department website;
- Update the Application for Missouri Personalized and Special License Plates (DOR-1716);
- Communicate with the Association of Missouri Electric Cooperatives for development of the license plate; and
- Complete programming and user acceptance testing for identified systems.

FY 2021 - Motor Vehicle Bureau

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

FY 2021 - Strategy and Communications Office

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

FY 2021 - General Services Bureau

Administrative Office Support Assistant 5 hrs. @ \$13.78 per hr. = \$ 69

Total Costs = \$4,688

ASSUMPTION (continued)

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR- ITSD noted this bill would allow a personalized specialty plate registration in excess of 24,000 pounds to update and produce a renewal notice. The AMEC truck plates 18,000 to 80,000 will not be an annual registration; they will expire in December, be prorated monthly and will not have a grace period to February.

Changes would be:

- modify program DM50020 to allow weights for specific plate types; and
- modify program DM50040 to allow for 1 or 2 plates and for allowing heavy plates

DOR noted OA-ITSD services will be required at a cost of **\$40,528** in FY 2021 (426.6 hours x \$95 per hour).

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

Revenue Impact

DOR noted this legislation will result in an unknown, but potentially minimal increase in the \$15 specialty plate reservation fees collected since more vehicles will be eligible for them. \$15 specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

Oversight assumes the increase in revenue will be minimal; therefore, Oversight will not reflect the potential increase on the fiscal note. Oversight notes the Association of Missouri Electric Cooperatives specialty license plate was authorized in 2019. As of February 3, 2020, there have been no plates issued. DOR still needs the \$5,000 fee and 200 applications before these plates can be issued.

In response to a similar proposal from 2020 (HCS for HB 2040), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MoDOT has stated the proposal 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 MoDOT.

ASSUMPTION (continued)

§§302.170 & 302.181 - Digital Driver's License Program

In response to a similar proposal from 2020 (HB 2280), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

The proposed legislation will require amendments to our current vendor contract or a request for procurement of a new license vendor contract to implement a digital driver license option, also referred to as the Mobile Driver License Application (mDL).

The cost for the digital driver license program is 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 downloading the application and activating the mDL. 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.

Implementation and Program Services	\$700,000 one time
Cloud Hosting Charges	<u>\$400,000 per year</u>
First year total	\$1,100,000

Each year following: \$400,000

The actual final pricing could potentially be higher or significantly lower depending on the final scope, requirements, adoption trends, development of the alternate business models, etc. Potential models exist that could reduce and possibly eliminate these costs. Until an RFP is issued and responses from potential contractors come in, the Department will assume the high end of the cost estimates.

Oversight does not have any information to the contrary in regards to DOR's assumptions; however, DOR has indicated the \$1,100,000 cost in FY 2021 could be lower depending on several factors. Therefore, Oversight will reflect DOR's costs of "Up to \$1,100,000" on the fiscal note.

ASSUMPTION (continued)

DOR note to implement the proposed legislation, the Department will be required to:

- Work with 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);
- Update forms, manuals, letters, and the Department website;
- 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 2021 - 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

FY 2022 - Driver License Bureau

Revenue Processing Tech II	1,008 hrs. @ \$13.07 per hr.	= \$ 13,175
Administrative Analyst II	1,531 hrs. @ \$17.13 per hr.	= \$ 26,226
Management Analysis Spec II	3,659 hrs. @ \$20.57 per hr.	= \$ 75,266
Revenue Manager	766 hrs. @ \$20.59 per hr.	= \$ 15,772
Total		= \$130,439

FY 2022 - Personnel Services Bureau

Administrative Analyst II	1,176 hrs. @ \$17.13 per hr.	= \$20,145
Management Analysis Spec II	1,176 hrs. @ \$20.57 per hr.	= \$24,190
Total		= \$44,335

ASSUMPTION (continued)

Oversight assumes DOR could hire additional FTE as a result of this proposal. Based on the number of hours required to implement this proposal, Oversight assumes DOR could hire up to 4 additional FTE. Oversight will reflect the costs of potential FTE in the corresponding years the work will be required. Oversight assumes required hours over 1,080 may necessitate an additional FTE to be hired; therefore, Oversight assumes DOR may need 2 additional FTE in FY 2021 and four additional FTE in FY 2022.

Below is a summary of the FTE costs by fiscal year:

FY 2021 (10 Months) - Driver License Bureau

1 Administrative Analyst II
1 Management Analysis Specialist II
Salary plus fringe benefits = \$106,249

FY 2022 - Driver License Bureau

1 Administrative Analyst II
1 Management Analysis Specialist II
Salary plus fringe benefits = \$128,542

FY 2022 - Personnel Services Bureau

1 Administrative Analyst II
1 Management Analysis Specialist II
Salary plus fringe benefits = \$128,542

In response to a similar proposal from 2020 (HB 2280), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that MoDOT has stated the proposal 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 MoDOT.

§302.205 - Medical Alert Notation on Driver's Licenses and Identification Cards

In response to a similar proposal from 2020 (HCS for HB 1334), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

ASSUMPTION (continued)

Administrative Impact

The proposed legislation would require the Department to work with our license issuance vendor to modify the card design for driver license and nondriver identification card printing to include a medical notation for specific medical conditions, illnesses, and disorders. The current card format does not have the available space to allow for a string of information as it appears to be required by the proposed language. Redesigning the card to allow this additional notation may require reduction of important license restriction information or the card may not comply with the 2016 Card Design Standards. DOR would need to:

- Work with the driver license issuance vendor to modify driver license and nondriver license card design to allow for placement of the proposed data string detailing the requested medical notation;
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, the Central Driver Information System (CDIS), and the Missouri Driver License System (MODL) in relation to the medical alert notation;
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system and supporting applications;
- Submit a change request to the current license vendor to modify the fillable donor information section on the back of the driver license and nondriver identification card and request a placeholder for a medical information notations;
- Complete testing with factory print facility for data changes and card design changes for the new medical alert notation;
- Update forms, manuals, correspondence letters, and the Department website;
- Create a new application form for applicants to request a medical notation, including the waiver and space for the physician's sworn statement;
- Update the mail-in application forms for military renewal application;
- 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); and
- Train staff.

FY 2021 - Driver License Bureau

Administrative Analyst II	1,192 hrs. @ \$17.13 per hr.	= \$20,419
Management Analysis Spec II	2,032 hrs. @ \$20.57 per hr.	= \$41,798
Revenue Manager	240 hrs. @ \$20.59 per hr.	= \$ 4,942
Total		= \$67,159

ASSUMPTION (continued)

FY 2021 - Personnel Services Bureau

Administrative Analyst III	120 hrs. @ \$19.80 per hr.	= \$2,376
Management Analysis Spec I	120 hrs. @ \$18.42 per hr.	= \$2,210
Total		= \$4,586

FY 2022 - Driver License Bureau

Administrative Analyst II	40 hrs. @ \$17.13 per hr.	= \$ 685
Management Analysis Spec II	40 hrs. @ \$20.57 per hr.	= \$ 823
Revenue Manager	20 hrs. @ \$20.59 per hr.	= \$ 412
Total		= \$1,920

Total Costs = **\$73,665**

Oversight assumes DOR may hire additional staff due to the amount of hours required to implement this proposal. However, DOR also may handle this internal work without seeking additional appropriation authority. Oversight assumes DOR may hire two additional FTE to staff for the two positions listed above that are anticipated to need over 1,080 hours of work. 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 2 FTE for FY 2021 (\$110,089) only.

DOR noted:

License Vendor Cost FY 2021

Due to the extensive changes that may be required to add this variable notation, the estimated one-time cost for the vendor card redesign development, testing, and implementation is **\$75,000**.

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

DOR noted OA-ITSD states services will be required at a cost of **\$122,197** (1,286.28 hours x \$95 per hour) in FY 2021 to implement these changes.

ASSUMPTION (continued)

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 the MEDL, MODL, and CDIS systems. ITSD estimates the project would take 1,286.28 hours at a contract rate of \$95 per hour for a total cost to the state of \$122,197. 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 an additional IT Specialist to perform the work required from this bill. However, for fiscal note purposes, Oversight will reflect the cost of **\$122,197** as indicated by OA-ITSD and DOR.

In response to a similar proposal from 2020 (HCS for HB 1334), officials from the **Department of Transportation** and **Department of Health and Senior Services** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal from 2020 (HCS for HB 1334), officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed the proposal would have no fiscal impact on their organization. MHP will be required to make a change to accept the new field from the DOR, but can make this change with in-house personnel and minimal development time.

Oversight notes that the agencies mentioned above have stated the proposal 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.

§§302.720 & 302.723 - Disability Accommodations for Commercial Drivers' License Applicants

In response to a similar proposal from 2020 (SB 748), officials at the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

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

- Work with OA-ITSD to update the Missouri Electronic Driver License system (MEDL) and the Missouri Driver License system (MODL) for data collection or restriction processing;

ASSUMPTION (continued)

- Work with the Missouri State Highway Patrol (MSHP) to draft regulation for testing accommodations for CDL knowledge and skills testing;
- Complete programming and user acceptance testing;
- Update procedures and the Department website;
- Update the Uniform License Issuance Manual (ULIM); and
- Update the Missouri Driver Guide and CDL manual.

FY 2021 - Driver License Bureau

Management Analysis Spec II	160 hrs. @ \$20.57 per hr.	= \$3,291
Administrative Analyst II	80 hrs. @ \$17.13 per hr.	= \$1,370
Revenue Manager	40 hrs. @ \$20.59 per hr.	= \$ 824
Total		= \$5,485

FY 2021 - Personnel Services Bureau

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Management Analysis Spec I	10 hrs. @ \$18.42 per hr.	= \$ 184
Total		= \$ 382

Total Cost = **\$5,867**

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR noted OA-ITSD services will be required at a cost of **\$13,441** (141.48 hours x \$95 per hour) in FY 2021.

Oversight does not have any information to the contrary in regards to DOR's assumptions regarding OA-ITSD costs; therefore, Oversight will reflect these costs on the fiscal note.

Revenue Impact

DOR noted guidance from the Federal Motor Carrier Safety Administration in regards to prohibited use of interpreters for the commercial skills testing under 49 CFR 383.133, is that sign language interpreters are prohibited during the skills testing.

ASSUMPTION (continued)

Implementation of accommodations that do not comply with Federal test standards may result in a withholding of Federal-aid highway funds apportioned to the State, as defined in 49 CFR 374.401, as up to 4 percent (\$26 million) following the first year of non-compliance and up to 8 percent (\$52 million) in the second and subsequent years of non-compliance.

Based on DOR's response, **Oversight** assumes this proposal could cause non-compliance with federal standards. If Missouri were to become non-compliant, Missouri would risk losing federal funding of \$26 million (4%) in FY 2022 and \$52 million (8%) in FY 2023 and beyond. However, this proposal includes a provision that if Missouri were to be found noncompliant with federal highway authorities, these sections would be null and void; therefore, Oversight will not reflect the potential loss of federal highway funding on the fiscal note.

In response to a similar proposal from 2020 (SB 748), officials from the **Department of Transportation** and **Department of Public Safety - Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal 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.

§303.026 - Motor Vehicle Insurance Records

Officials at the **Department of Revenue (DOR)** assume there will be no fiscal impact with utilizing current insurance database until funding for an integrated system is secured.

Oversight notes that DOR has stated the proposal 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 DOR.

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

The Department anticipates requiring resources to communicate with optometrists, and to review vision examinations that are submitted. Due to the limited time for analysis for this fiscal note, it is unknown the amount of FTE required, but anticipates needing 0-4 FTE. If the impact of this provisions is too significant for our current staff to absorb, additional FTE will be requested through the appropriations process.

ASSUMPTION (continued)

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR notes OA-ITSD services for system requirements for optometrist/DOR vision exam submission will be required at a cost of **\$336,528** (3,542,.40 hours x \$95 per hour) in FY 2021.

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

§§304.172 & 304.180 - Weigh and Load Restrictions for Emergency Vehicles Operating on Interstates

In response to a similar proposal from 2020 (HB 2539), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization. MoDOT stated this proposal is a federally mandated correction to current statute, and failure to comply will result in federal monies to the State Road Fund to be redirected to achieving federal compliance. This would cost MoDOT approximately \$2.6 million in one-time signage costs and would cost counties and municipalities approximately \$6.2 million in one-time signage costs.

Oversight assumes this proposal will put Missouri in compliance with federal mandates; therefore, Oversight assumes there will be no additional costs to MoDOT.

In response to a similar proposal from 2020 (HB 2539), officials from the **Department of Public Safety - Missouri Highway Patrol** assumed the proposal would have no fiscal impact on their organization.

§§305.800, 305.802, 305.804, 305.806, 305.808 & 305.810 - Removal and Disposal of Abandoned Aircraft

In response to a similar proposal from 2020 (HCS for HB 1333), officials from the **Department of Transportation (MoDOT)** assumed the proposal would have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes that MoDOT has stated the proposal 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 that agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, several Recordors of Deeds were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight assumes the procedures governing the removal and disposal of abandoned aircraft would not be invoked often enough to materially impact the budget of any affected political subdivision.

§306.127 - Temporary Boater Safety Identification Cards Sunset Extension

In response to a similar proposal from 2020 (SB 782), officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed the proposal would have no fiscal impact on their organization. MHP notes the Water Patrol Division currently has a system in place regarding the temporary boater identification cards.

Oversight inquired of MHP as to how many temporary boater safety identification cards have been issued. **MHP** stated the following:

CY 2019: 3,561 cards purchased at a cost of \$7.75 each for a total of \$27,597.75 (net)

CY 2018: 2,798 cards purchased at a cost of \$7.75 each for a total of \$21,684.50 (net)

CY 2017: 2,696 cards purchased at a cost of \$7.75 each for a total of \$20,894.00 (net)

MHP notes the temporary boater safety identification cards are sold for \$9; however, Jet Pay (payment processing vendor) collects \$1.25 of the \$9.

CY 2019: 3,561 payments processed at \$1.25 each (to Jet Pay) for a total of \$4,451.25

CY 2018: 2,798 payments processed at \$1.25 each (to Jet Pay) for a total of \$3,497.50

CY 2017: 2,696 payments processed at \$1.25 each (to Jet Pay) for a total of \$3,370.00

Oversight notes the fund balance in the Water Patrol Division Fund (0400) as of March 31, 2020 was \$1,923,629.

ASSUMPTION (continued)

Oversight notes that the authority to issue temporary boater safety identification cards and collect the associated fees in Section 306.127, RSMo expires on December 31, 2022. This proposal extends that expiration date to December 31, 2032. Therefore, Oversight will reflect a revenue extension (continuance) of "Less than \$30,000" beginning January 1, 2023 for this proposal. In addition, Oversight will reflect a continuing cost of "Less than \$5,000" beginning January 1, 2023 for a net fiscal impact of "Less than \$25,000."

§307.015 - Dump Truck Mud Flaps

In response to a similar proposal from 2020 (SB 964), officials from the **Department of Transportation, Department of Public Safety - Missouri Highway Patrol** and **Department of Revenue** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the agencies mentioned above have stated the proposal 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.

Bill as a Whole

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$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.

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

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

ASSUMPTION (continued)

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

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
GENERAL REVENUE FUND				
<u>Revenue -</u> title/registration fees for ATVs (§§300.010 & 407.815) p. 10	Unknown	Unknown	Unknown	Unknown
<u>Cost - DOR</u> (§§301.140, 301.190, 301.210, 301.213, 301.280 & 301.560) p. 12				
Personal Services	(\$87,730)	(\$106,329)	(\$107,392)	(\$108,466)
Fringe Benefits	<u>(\$63,695)</u>	<u>(\$69,872)</u>	<u>(\$70,225)</u>	<u>(\$70,582)</u>
<u>Total Costs - DOR</u>	\$151,425	(\$176,201)	(\$177,617)	(\$179,048)
FTE Change - DOR	3 FTE	3 FTE	3 FTE	3 FTE
<u>Cost - OA-ITSD</u> services (§§301.140, 301.190, 301.210, 301.213, 301.280 & 301.560) p. 12	(\$100,858)	\$0	\$0	\$0
<u>Cost - DOR - set-up</u> cost (§§301.3069 & 301.3159) p. 16	(\$430)	\$0	\$0	\$0

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
<u>Cost</u> - DOR - plate manufacturing cost (§§301.3069 & 301.3159) p. 16	(\$1,250)	(\$1,500)	(\$1,500)	(\$1,500)
Cost - DOR - mailing (§§301.3069 & 301.3159) p. 17	(\$93)	(\$111)	(\$111)	(\$111)
<u>Cost</u> - DOR - postage (§§301.3069 & 301.3159) p. 17	(\$206)	(\$246)	(\$246)	(\$246)
<u>Cost</u> - DOR - OA- ITSD (§§301.3069 & 301.3159) p.17	(\$12,620)	\$0	\$0	\$0
<u>Cost</u> - DOR - OA- ITSD services (§301.3174) p. 19	(\$40,528)	\$0	\$0	\$0
Cost - DOR - implementation and program services (§§302.170 & 302.181) p. 20	(Up to \$700,000)	\$0	\$0	\$0
Cost - DOR - cloud hosting services (§§302.170 & 302.181) p. 20	(Up to \$400,000)	(Up to \$400,000)	(Up to \$400,000)	(Up to \$400,000)

FISCAL IMPACT -
State Government
 (continued)

	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
<u>Cost - DOR -</u> Administrative costs (ranged from \$0 or up to costs of FTE per fiscal year) (§§302.170 & 302.181) p. 22	\$0 to (106,249)	\$0 to (\$257,084)	\$0	\$0
FTE Change - DOR	0 or 2 FTE	0 or 4 FTE	0 FTE	0 FTE
<u>Cost - DOR -</u> Administrative costs (ranged from using existing staff to hiring two (2) additional FTE for FY 2021) (§302.205) p. 24	\$0 to (\$110,089)	\$0	\$0	\$0
FTE Change - DOR	0 or 2 FTE	0 FTE	0 FTE	0 FTE
<u>Cost - DOR - vendor</u> cost for card redesign (§302.205) p. 24	(\$75,000)	\$0	\$0	\$0
<u>Cost - DOR - OA-</u> ITSD costs (§302.205) p. 24	(\$122,197)	\$0	\$0	\$0
<u>Cost - DOR - OA-</u> ITSD costs (§§302.720 & 302.723) p. 26	(\$13,441)	\$0	\$0	\$0

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
<u>Cost - DOR - OA-</u> <u>ITSD costs</u> (\$32.300) p. 4	(\$336,528)	\$0	\$0	\$0
<u>Cost - DOR - OA-</u> <u>ITSD costs</u> (\$32.300) p. 4	(\$1,664,226)	\$0	\$0	\$0
<u>Loss - §143.441 Air</u> <u>Freight Forwarders</u> <u>defined as</u> <u>Corporations p. 7</u>	(Unknown)	(Unknown)	(Unknown)	(Unknown)
<u>Loss - Jet Fuel Tax</u> <u>Sales Exemption</u> (\$144.805) p. 7	\$0	\$0	\$0	(\$8,847,000)
<u>Loss - DOR - lost</u> <u>potential earnings on</u> <u>sales tax revenue</u> (§§301.140, 301.190, 301.210, 301.213, 301.280 & 301.560) p. 13	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$3,618,802 to <u>\$3,835,140</u>)	(\$578,058 to <u>\$835,142</u>)	(Could exceed <u>\$579,474</u>)	(Could exceed <u>\$9,247,905</u>)
Estimated Net FTE Change to the General Revenue Fund	3 to 7 FTE	3 to 7 FTE	3 FTE	3 FTE

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
AVIATION TRUST FUND				
<u>Revenue -</u> Continuation of Direct Payments (\$144.805) p. 7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,979,858</u>
ESTIMATED NET EFFECT ON THE AVIATION TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,979,858</u>
BLIND PENSION FUND				
<u>Revenue Reduction -</u> Loss of property tax revenue from expansion of hours for taxation of aircraft (\$137.115) p. 5	<u>\$0 to (\$200)</u>	<u>\$0 to (\$200)</u>	<u>\$0 to (\$200)</u>	<u>\$0 to (\$200)</u>
ESTIMATED NET EFFECT ON THE BLIND PENSION FUND	<u>\$0 to (\$200)</u>	<u>\$0 to (\$200)</u>	<u>\$0 to (\$200)</u>	<u>\$0 to (\$200)</u>

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
CONSERVATION COMMISSION FUND				
<u>Loss - Jet Fuel Tax</u> <u>Sales Exemption</u> (§144.805) p. 7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$161,131)</u>
ESTIMATED NET EFFECT ON THE CONSERVATION COMMISSION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$161,131)</u>
HIGHWAY FUND				
<u>Revenue - specialty</u> <u>plate fees</u> (§§301.3069 & 301.3159) p. 18	<u>\$3,750</u>	<u>\$4,500</u>	<u>\$4,500</u>	<u>\$4,500</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>\$3,750</u>	<u>\$4,500</u>	<u>\$4,500</u>	<u>\$4,500</u>

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
PARK, SOIL, WATER FUNDS				
<u>Loss - Jet Fuel Tax</u> <u>Sales Exemption</u> (§144.805) p. 7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$128,905)</u>
ESTIMATED NET EFFECT ON THE PARK , SOIL AND WATER FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$128,905)</u>
SCHOOL DISTRICT TRUST FUND				
<u>Loss - Jet Fuel Tax</u> <u>Sales Exemption</u> (§144.805) p. 7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,289,047)</u>
ESTIMATED NET EFFECT ON THE SCHOOL DISTRICT TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,289,047)</u>

FISCAL IMPACT -
State Government
 (continued)

FY 2021
 (10 Mo.)

FY 2022

FY 2023

Fully
 Implemented
 (FY 2025)

**WATER PATROL
 DIVISION FUND**

Revenue Extension
 - MHP - Extension
 of Fee (§306.127)
 from 12/31/2022 to
 12/31/2032 - \$9 fee
 on average of over
 3,000 cards issued
 annually (§306.127)
 p. 30

\$0

\$0

(Less than
 \$30,000)

(Less than
 \$30,000)

Cost - MHP - \$1.25
 payment processing
 fee to Jet Pay
 (§306.127) p. 30

\$0

\$0

(Less than
\$5,000)

(Less than
\$5,000)

**ESTIMATED NET
 EFFECT ON THE
 WATER PATROL
 DIVISION FUND**

\$0

\$0

**Less than
\$25,000**

**Less than
\$25,000**

FISCAL IMPACT -
Local Government

FY 2021
 (10 Mo.)

FY 2022

FY 2023

Fully
 Implemented
 (FY 2025)

**LOCAL
 POLITICAL
 SUBDIVISIONS**

Revenue - Cities
 (15%) - specialty
 plate fees
 (§§301.3069 &
 301.3159) p. 18

\$750

\$900

\$900

\$900

<u>FISCAL IMPACT -</u> <u>Local Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023	Fully Implemented (FY 2025)
<u>Revenue - Counties</u> (10%) - specialty plate fees (§§301.3069 & 301.3159) p. 18	\$500	\$600	\$600	\$600
<u>Revenue Reduction -</u> Locals loss of property tax from expansion of hours for taxation of aircraft (§137.115) p. 5	\$0 to (\$35,000)	\$0 to (\$35,000)	\$0 to (\$35,000)	\$0 to (\$35,000)
<u>Loss - Jet Fuel Tax</u> Sales Exemption (§144.805) p. 7	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$11,800,000)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$1,250 to</u> <u>(\$33,750)</u>	<u>\$1,500 to</u> <u>(\$33,500)</u>	<u>\$1,500 to</u> <u>(\$33,500)</u>	<u>(\$11,798,500 to</u> <u>\$11,833,500)</u>

FISCAL IMPACT - Small Business

§137.115 -Small businesses that operate a qualifying aircraft could be impacted as a result of this proposal.

§143.441 - Small businesses that buy aviation fuel could be impacted as a result of this proposal.

§144.070 - Small motor vehicle dealers could be positively impacted as a result of this proposal.

§§301.140, 301.190, 301.210, 301.213, 301.280 & 301.560 - Small dealerships could be impacted as a result of this proposal.

FISCAL IMPACT - Small Business (continued)

Small businesses that own either aircraft or airports could be impacted by this proposal.

FISCAL DESCRIPTION

The proposed legislation modifies provisions relating to transportation.

This legislation is federally mandated (§§304.172 & 304.180), would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Department of Public Safety - Missouri Highway Patrol
Attorney General's Office
Department of Commerce and Insurance
Department of Agriculture
Missouri Department of Conservation
Department of Natural Resources
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration - Budget and Planning
State Tax Commission
Department of Economic Development
Public Service Commission
Clay County Assessor's Office
Office of Administration
Office of the Governor
Office of the State Courts Administrator



Julie Morff
Director
May 1, 2020

Ross Strobe
Assistant Director
May 1, 2020