

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0965H.04C  
Bill No.: HCS for SB 38  
Subject: Transportation; Motor Vehicles  
Type: Original  
Date: May 7, 2021

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Bill Summary: This proposal modifies provisions relating to transportation.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>          |                    |                   |                                    |
|--|--------------------|-------------------|------------------------------------|
| <b>FUND AFFECTED</b>   | <b>FY 2022</b>     | <b>FY 2023</b>    | <b>FY 2024</b>                     |
| General Revenue* **  | (\$550,362)        | (\$22,095)        | Could exceed<br>(\$22,992)         |
| <b>Total Estimated Net<br/>Effect on General<br/>Revenue</b> | <b>(\$550,362)</b> | <b>(\$22,095)</b> | <b>Could exceed<br/>(\$22,992)</b> |

\*The extension of the authorization to create AIM Zones may allow for an increase in the number of AIM Zones created, which may lead to additional state withholding tax being diverted to the AIM Zone instead of state General Revenue; however, due to current and past activity, Oversight assumes the amount of redirected state taxes from this proposal would **not** exceed the \$250,000 Fiscal Revenue / Fiscal Oversight threshold.

\*\*§32.300 – Oversight notes the Department of Revenue has stated they cannot implement the provisions of this section until they have a new integrated IT system which is estimated at \$105 million (\$35 million per fiscal year). Oversight has not reflected a cost for this section.

Numbers within parentheses: () indicate costs or losses.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS                     |  |  |  |
|---|--|--|--|
| FUND AFFECTED   | FY 2022  | FY 2023  | FY 2024  |
| Missouri Public Health Services Fund                          | \$9,300  | \$18,600   | \$18,600   |
| Motor Vehicle Administration Technology Fund                  | Could exceed \$5,416,667 to \$27,083,333                   | Could exceed \$6,500,000 to \$32,500,000                   | Could exceed \$6,500,000 to \$32,500,000                   |
| Port Authority AIM Zone Fund (0583)*                          | \$0  | \$0  | \$0**  |
| State Road Fund   | (\$46,350)   | \$0  | \$0  |
| Water Patrol Division Fund**                                  | More or less than \$5,353,008                              | More or less than \$6,295,145                              | More or less than \$5,904,940                              |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>More than or Less than \$10,732,625 to \$32,399,291</b> | <b>More than or Less than \$12,813,745 to \$38,813,745</b> | <b>More than or Less than \$12,423,540 to \$38,423,540</b> |

\*Potential Transfer In and Transfer Out amounts assumed to net to \$0.

\*\* **Oversight** assumes starting in FY 2025, there could be a reduction in the number of registrations resulting in a potential loss in revenue to the Water Patrol Fund. With the optional lifetime registration fee being three times the current fee, the State will not realize a potential overall loss of funding for nine to eleven years. Oversight used the assumption that 50 percent of all boat renewals will chose this new option. The percentage of registrations that utilize this option could vary substantially from this estimate, therefore the “More or Less than”.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS                         |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2022    | FY 2023    | FY 2024    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) |          |          |          |
|--|----------|----------|----------|
| FUND AFFECTED                                      | FY 2022  | FY 2023  | FY 2024  |
| General Revenue                                    |          |          |          |
|  |          |          |          |
| <b>Total Estimated Net Effect on FTE</b>           | <b>0</b> | <b>0</b> | <b>0</b> |

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                             |                             |                             |
|--|-----------------------------|-----------------------------|-----------------------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2022</b>              | <b>FY 2023</b>              | <b>FY 2024</b>              |
| <b>Local Government</b>                    | <b>Unknown to (Unknown)</b> | <b>Unknown to (Unknown)</b> | <b>Unknown to (Unknown)</b> |

### **FISCAL ANALYSIS**

#### ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

#### §9.315 – School Bus Drivers’ Appreciation Day

In response to a similar proposal from 2021 (HB 639), officials from the **Office of Administration** and **Department of Elementary and Secondary Education** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies 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 this section.

#### §21.795 – Towing Provisions and the Joint Committee on Transportation Oversight

In response to a similar proposal from 2021 (HCS for HB 389), officials from the **Missouri Department of Transportation, Missouri Highway Patrol, Department of Revenue, Office of the Governor, Office of the State Auditor, Missouri House of Representatives, Missouri Senate, Attorney General’s Office** and **Oversight Division** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies 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 this section.

§32.300 – Department of Revenue Remote System

In response to a similar proposal from 2021 (SB 580), officials from the **Department of Revenue (DOR)** stated the Department does not have a funding mechanism established to enter into a contract with third-party vendors to design and implement a remote system. New appropriations would be required in order to pay the third-party vendor for the new application.

In order to implement the proposed legislation and interface with multiple third-party vendors, the Department would require a new integrated system at a cost of \$105 million appropriated over 3 fiscal years (\$35 million per year).

Currently, the Department has over 170 contract license offices. The proposed legislation would authorize each of the contract offices to enter into one or multiple contract with third-party vendors for this application. The Department would have no control over the number of contracts entered into by the contract license offices for the new remote application.

§68.075 – Advanced Industrial Manufacturing Zones Act

**Oversight** notes, under current law, no new Advanced Industrial Manufacturing Zone (AIM Zone) may be established after August 28, 2023. This proposed legislation extends that date to August 28, 2031.

An AIM Zone is an area identified through resolution passed by the Port Authority Board of Commissioners that is being developed or redeveloped for any purposes so long as any infrastructure and/or building built or improved is in the development area.

Any port authority located in this state may establish an AIM Zone.

**Oversight** notes fifty percent (50%) of the state tax withholdings imposed under Section(s) 143.191 to 143.265 on qualifying new job(s) created within an AIM Zone after development or redevelopment has commenced shall be deposited into Port Authority AIM Zone Fund in lieu of General Revenue (GR). In addition, the Port Authority AIM Zone Fund may receive an appropriation from the General Assembly to be used for the administration of this program which is limited to no more than ten percent (10%) of the total amount deposited from withholding taxes on new jobs with an AIM Zone.

The Missouri State Treasurer is to disburse the funds held in the Port Authority AIM Zone Fund to port authorities.

The funds disbursed to port authorities are to be used for expansion, development and redevelopment of AIM Zones, managerial expenses, engineering, legal expenses, research, promotion expenses, planning, satisfaction of bonds, and any other expenses.

In response to a similar proposal from 2020 (SB 636), officials from the **Missouri Department of Economic Development (DED)** stated the proposed legislation will have an economic impact. The proposed legislation may encourage economic activity through an increase in projects in AIM Zones; however, DED could not estimate the increase or decrease to Total State Revenue.

Based on information provided by the Department of Revenue, the following AIM Zones have been established:

| <b>AIM Zone</b>                         | <b>Date of Adoption</b> |
|---|-------------------------|
| Port KC AIM Zone 1 - Richards Gebaur    | 10/17/2016              |
| Port KC AIM Zone 2 - Northland Park     | 10/17/2016              |
| Port KC AIM Zone 3 - Berkley Riverfront | 12/18/2017              |
| Port KC AIM Zone 4                      | 10/28/2019              |
| Hazelwood AIM Zone                      | 3/13/2018               |
| St. Louis Port District AIM Zone        | 6/13/2017               |
| Lemay AIM Zone                          | 7/11/2017               |
| Former Jamestown Mall AIM Zone          | 10/10/2017              |
| Kimmswick AIM Zone                      | 9/14/2016               |

Based on additional information provided by the Department of Revenue, the Port Authority AIM Zone Fund (0583) received its first deposit in the amount of \$1,125 in July 2020 (Fiscal Year 2021). The balance of the fund on February 28, 2021 was \$1,126.21

In response to a similar proposal from 2021 (HB 249), officials from the **City of Kansas City (Kansas City)** assumed this proposed legislation would have an indirect positive fiscal impact on Kansas City in an unknown amount. Kansas City assumes by extending the program, additional development could occur.

In response to a similar proposal from 2021 (HB 249), officials from the **Office of Administration – Budget & Planning Division**, the **Missouri Department of Revenue**, the **Missouri Department of Transportation**, the **Missouri State Treasurer’s Office**, the **City of Ballwin**, the **City of Corder**, the **City of Hale**, the **City of Houstonia**, the **City of La Monte**, and the **City of Springfield** did not anticipate the proposed legislation will cause a fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, for purposes of this fiscal note, Oversight will not report a fiscal impact for these organizations.

**Oversight** notes, other than the approximately \$1,125 deposited into the Port Authority AIM Zone Fund, which was the first deposit recognized, which occurred in the current fiscal year (Fiscal Year 2021), there is little historical data or evidence available to estimate the impact of extending the date in which AIM Zones can be established.

For purposes of this fiscal note, Oversight will report a fiscal impact equal to \$0 or a negative “Unknown” to GR beginning in Fiscal Year 2024 as a result of the unknown amount of state withholding tax that would be deposited into the Port Authority AIM Zone Fund in lieu of GR. Oversight assumes this reduction in withholding tax collections would not exceed \$250,000.

**Oversight** will report the transfer into the Port Authority AIM Zone Fund (withholding tax deposited) equal to \$0 or a positive “Unknown” beginning in Fiscal Year 2024 and will report the transfer out of the Port Authority AIM Zone Fund (disbursements to port authorities) equal to \$0 or a negative “Unknown” resulting in a net zero (\$0) fiscal impact.

**Oversight** will report a \$0 or positive “Unknown” impact to Local Political Subdivisions (Port Authorities/AIM Zones) beginning in Fiscal Year 2024 as a result of the unknown amount of revenue such entities would receive from the Port Authority AIM Zone Fund.

#### §§115.151, 115.160 & 115.960 – Department of Revenue - Voter Registration

In response to a similar proposal from 2021 (HB 372), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

#### Administrative Impact

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

- Coordinate with the Secretary of State to develop requirements for the data and signature file specifications for election authorities;
- OA-ITSD must develop a data pull process for voter registration data collected at the time of license, permit or nondriver license issuance, including electronic signatures;
- OA-ITSD must develop a secure process that is a format compatible with the Missouri voter registration system for sending the required signature and voter registration information file to the data file for submission to the election authorities;
- OA-ITSD Test the file generation and secure transfer process to ensure all required data elements and signature are sent as required;
- Obtain format and procedure approvals from Secretary of State and others as applicable;
- Develop website information to link inquirers to the Secretary of State for information regarding the new automatic voter registration and provisions for declining automatic registration.
- Define requirements to modify the Missouri Electronic Driver License (MEDL) system to modify the voter registration application form data and signature collection to comply with electronic transmission requirements.
- Develop and initiate user acceptance testing for changes the MEDL system.
- Modify office procedures to reflect changes to voter registration application data collection.
- Obtain necessary approvals from all entities for the application and procedure changes as well as data transfer specifications.

FY 2022 – Driver License Bureau

|                         |                    |            |
|-------------------------|--------------------|------------|
| Research/Data Assistant | 320 hrs. @ \$15.98 | = \$ 5,114 |
| Research/Data Analyst   | 640 hrs. @ \$23.82 | = \$15,245 |
| Administrative Manager  | 80 hrs. @ \$22.24  | = \$ 1,779 |
| Total                   |                    | = \$22,138 |

FY 2022 – Personnel Services Bureau

|                                 |                   |          |
|---------------------------------|-------------------|----------|
| Associate Research/Data Analyst | 20 hrs. @ \$19.09 | = \$ 382 |
|---------------------------------|-------------------|----------|

**Total Costs** = **\$22,520**

**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.

Cost Savings (based on FY 20 volumes)

|                        |                    |            |
|------------------------|--------------------|------------|
| Envelopes              | 16,416 x @\$0.07   | = \$ 1,149 |
| Postage                | 16,416 x @\$0.80   | = \$13,133 |
| Motor Voter Card Stock | 213,600 x @\$0.045 | = \$ 9,612 |

Total Cost Savings FY 2022 and subsequent years = \$23,894

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the savings as provided by the DOR.

**DOR** notes OA-ITSD services will be required at a cost of **\$175,036** in FY 2022 (1,842 hours x \$95 per hour), **\$35,882** in FY 2023 and **\$36,779** in FY 2024 for ongoing support.

In response to a similar proposal from 2021 (HB 372), officials from the **Office of the Secretary of State (SOS)** assumed the proposal would have no fiscal impact on their organization.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this Office.

In response to a similar proposal from 2021 (HB 372), officials from the **Kansas City Election Board** and **Platte County Board of Elections** both assumed the proposal would have no fiscal impact on their organizations.

In response to a similar proposal from 2021 (HB 372), officials from the **St. Louis County Board of Elections** assumed this proposal would save 350 hours of work a year. At the lowest temporary employee salary, this would save them \$13,000 annually. Electronic registrations are much less labor intensive and save quite a bit of time. Temporary employees would normally be processing paper registration forms. If made electronic, they wouldn't require as many temporary employees to process these registrations.

**Oversight** notes that §115.160 states the Director of Revenue shall utilize electronic voter registration application forms and provide for secure electronic transfer of voter registration information to election authorities. As stated above by the St. Louis County Board of Elections, there would be a savings as a result of electronic registrations. Therefore, Oversight will reflect an unknown positive impact to local election authorities in the fiscal note.

§§300.010, 300.347, 301.010, 302.010, 304.001, 307.025, 307.180, 307.182, 307.188, 307.193, 307.194, 365.020, 407.560, 407.815, 407.1025 & 578.120 – Electric Bicycle Provisions

In response to a similar proposal from 2021 (HCS for HB 307), officials from the **Missouri 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 above mentioned agencies 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 sections.

§300.144 – Specialty License Plates

In response to a similar proposal from 2021 (HB 56), officials from the **Missouri Department of Transportation, Missouri Highway Patrol, Department of Revenue, Attorney General’s Office, Missouri Office of Prosecution Service** and **Office of the State Courts Administrator** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies 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.

§§301.010 & 304.240 – Local Log Trucks

In response to a similar proposal from 2021 (HCS for HB 1270), officials from 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, correspondence letters, forms, and the Department website.

FY 2022 – Motor Vehicle Bureau

|                                       |                           |      |            |
|---------------------------------------|---------------------------|------|------------|
| Lead Administrative Support Assistant | 5 hrs. @ \$14.54 per hr.  | = \$ | 73         |
| Research/Data Assistant               | 10 hrs. @ \$15.49 per hr. | = \$ | 155        |
| Administrative Manager                | 5 hrs @ \$21.57 per hr.   | = \$ | <u>108</u> |



Total = \$ 336

FY 2022 – Communications Bureau

Associate Research/Data Analyst 20 hrs. @ \$18.50 per hr. = \$ 370  
 Total = \$ 370

**Total Costs \$ 706**

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. If multiple bills are passed 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.

In response to a similar proposal from 2021 (HCS for HB 1270), officials from the **Missouri Department of Transportation** and **Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** notes §304.240.2 creates a special carve out fine for local log trucks for load-limit violations. The current fine and proposed fine are:

| Current          |            | Proposed           |            |
|------------------|------------|--------------------|------------|
| excess weight    | Fine       | excess weight      | Fine       |
| Up to 500 lbs.   | \$.02 / lb | Up to 5,000 lbs.   | \$.10 / lb |
| 500 - 1,000 lbs  | \$.05 / lb | 5,000 - 10,000 lbs | \$.20 / lb |
| above 1,000 lbs. | \$.10 / lb | above 10,000 lbs.  | \$.50 / lb |
|                  |            |                    |            |

Oversight notes the fine per pound has increased with this proposal, potentially increasing fine revenue to local school districts. However, the definition of Local Log Truck (and the weight limit dimensions) has also changed. Oversight is unsure how the changes will impact load limits. Therefore, Oversight will reflect a potential impact to fine revenue to school districts as positive unknown (higher fine per pound charged) to a negative unknown (specified weight distribution and maximum weight per truck changes may reduce number of tickets/convictions).

Oversight notes the following misdemeanor guilty dispositions were processed by the Office of the State Courts Administrator for charge codes §304.180 – §304.220 in the previous three years (Although, Oversight has no information regarding how many of these are for local log trucks):

|         |       |
|---------|-------|
| FY 2020 | 3,995 |
| FY 2019 | 1,270 |
| FY 2018 | 896   |

§§301.558 & 307.380 – Dealer Administrative Fees

In response to a similar proposal from 2021 (SS for SB 46), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

OA-ITSD services will be required to update DOR systems to be able to collect the fee from dealers at a cost of **\$67,306** in FY 2022 (708 hours x \$95 per hour) and **\$6,731** in subsequent years.

**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

Motor vehicle dealers, boat dealers, and power sport dealers are not required by law to report to the Department whether they charge an administrative fee in connection with the sale or lease of a new or used motor vehicle, vessel, or vessel trailer. Therefore, the Department is unaware of the number of motor vehicle dealers assessing an administrative fee in connection with the sale of a new or used motor vehicle.

For calendar year 2020, approximately 1,300,000 vehicles were sold by dealers. If each dealer assessed an administrative fee of \$100 and the Motor Vehicle Administration Technology Fund received ten percent, this would equate to \$13,000,000 annually. Once the integrated system is implemented, and the fund received one percent, this would equate to \$1,300,000. If each dealer assessed the max allowed administrative fee of \$500, the fund would receive \$65,000,000 annually. Once the integrated system is implemented, and the fund received one percent, this would equate to \$6,500,000 annually. It is unknown what administrative fee each dealer will charge to their customers.

**Oversight** is unable to determine how many dealers in Missouri charge an administrative fee and the amount of these fees; therefore, Oversight will utilize the estimates provided by DOR. However, Oversight will assume 50% of dealers will charge an administrative fee; therefore, Oversight will range the fiscal impact from 50% of dealers charging \$100 to 50% of dealers charging the maximum fee of \$500 on the fiscal note.

Oversight is unable to determine when the integrated system indicated in Section 301.558.3, RSMo, will be implemented; however, DOR has indicated that this integrated system could cost up to \$105 million. Therefore, Oversight will reflect the revenue into the newly established

Motor Vehicle Administration Technology Fund at the 10% level of the administrative fee assessed by dealers in all fiscal years on the fiscal note.

In response to a similar proposal from 2021 (SS for SB 46), officials from the **Office of Administration - Budget and Planning (B&P)** assumed the following regarding this proposal:

This bill allows for an increase in motor vehicle dealer administrative fees to increase from less than \$200, to \$500 or less and requires the fee to increase annually by an amount equal to the percentage change in the Consumer Price Index. This bill also requires that 10% of that fee be remitted to the state to implement a modernized motor vehicle and driver's licensing system. Any portion of the fee remitted to the state shall be deposited into the newly created "Motor Vehicle Administration Technology Fund." Upon completion of the system, 1% of the fee shall be remitted to pay for the maintenance of the system.

To the extent that individuals purchase vehicles from Missouri dealers and pay the administrative fee, TSR/18(e) would increase. B&P defers to the Department of Revenue for specific revenue estimates.

In response to a similar proposal from 2021 (SS for SB 46), officials from the **Missouri Highway Patrol, Missouri Department of Transportation, Office of the State Treasurer and Attorney General's Office** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies 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

#### §§304.022 & 307.175 – Flashing Lights on Certain Vehicles

In response to a similar proposal from 2021 (HB 380), officials from the **Department of Revenue, Missouri Department of Transportation, Missouri Highway Patrol, Department of Corrections, Office of the State Public Defender, Office of the State Courts Administrator and Missouri Office of Prosecution Services** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal from 2021 (HB 380), officials from the **City of Ballwin, City of Kansas City, City of O'Fallon, City of Springfield, City of St. Louis, Crestwood Police Department, Ellisville Police Department, Kansas City Police Department, Springfield Police Department and St. Louis County Police Department** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies 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 sections.

§§300.155 & 304.281 – Turning Left on a Red Light

In response to a similar proposal from 2021 (HB 570), officials from the **Department of Transportation (MoDOT)** assumed the fiscal impact of this proposal is a cost of **\$46,350**, based on \$450 per sign and 103 left turn signal indications in diverging diamond interchanges on state highways.

**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.

In response to a similar proposal from 2021 (HB 570), officials from 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 Missouri State Highway Patrol (MSHP) to update the Missouri Driver Guide to include the new information (online and printed versions).

FY 2022-Driver License Bureau

|                        |                           |         |
|------------------------|---------------------------|---------|
| Research/Data Analyst  | 15 hrs. @ \$23.82 per hr. | = \$357 |
| Administrative Manager | 10 hrs. @ \$22.24 per hr. | = \$222 |
| Total                  |                           | \$579   |

FY2022-Personnel Services Bureau

|                                 |                           |         |
|---------------------------------|---------------------------|---------|
| Associate Research/Data Analyst | 15 hrs. @ \$19.08 per hr. | = \$286 |
| Associate Research/Data Analyst | 15 hrs. @ \$19.08 per hr. | = \$286 |
| Total                           |                           | \$572   |

**Total Costs** **\$1,151**

The proposed legislation would require updates to the Missouri Driver Guide that could be absorbed, unless there are changes required to the driver examination questions administered by the Missouri State Highway Patrol. If changes to the driver examination are required, the updated driver guide must be available in printed form which will result in potential destruction and printing costs outside of normal reordering.

The printing costs of the driver guide are currently covered by the Missouri State Highway Patrol (MSHP).

**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.

In response to a similar proposal from 2021 (HB 570), officials from the **Missouri Highway Patrol, Office of the State Public Defender, Missouri Office of Prosecution Services and Office of the State Courts Administrator** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies for these sections.

**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 in FY 2022.

§301.033 – Registration of Farm Vehicles

In response to a similar proposal from 2021 (HB 153), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To incorporate the necessary changes to allow for farm vehicle owners of more than one farm vehicle to make application with the Department to process as a farm fleet for the same registration renewal schedule, various department systems and procedures will need modifications to apply the changes.

FY 2022 – Motor Vehicle Bureau (MVB)

|                                 |                            |                 |
|---------------------------------|----------------------------|-----------------|
| Associate Research/Data Analyst | 239 hrs. @ \$18.50 per hr. | = \$4,422       |
| Research/Data Analyst           | 20 hrs. @ \$23.09 per hr.  | = \$ 462        |
| Administrative Manager          | 10 hrs. @ \$21.57 per hr.  | = <u>\$ 216</u> |
| Total                           |                            | \$5,100         |

FY 2022 – Strategy and Communications Bureau

|                                 |                           |                 |
|---------------------------------|---------------------------|-----------------|
| Research/Data Assistant         | 4 hrs. @ \$15.49 per hr.  | = \$ 62         |
| Associate Research/Data Analyst | 13 hrs. @ \$18.50 per hr. | = <u>\$ 241</u> |
| Total                           |                           | \$ 303          |

**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** notes OA-ITSD services will be required at a cost of **\$60,432** in FY 2022 (636.12 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.

**DOR** notes the current transfer fee is \$2. This proposal does not change that, nor will it result in an increase in transfer transactions; therefore, there should not be a revenue impact. The \$2 fee is not to add a vehicle to a fleet, but to transfer plates to the vehicle if a new vehicle for the fleet is purchased and the owner wants to transfer unexpired license plates from a previous vehicle owned.

In addition, this proposal will not increase the number of farm vehicles that need license plates. Any additional cost to issue plates that say special farm fleet vehicle plates, if any, will be minimal and absorbed as the number of plates being manufactured will not increase.

In response to a similar proposal from 2021 (HB 153), officials from the **Missouri Department of Agriculture** and **Missouri Department of Transportation** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a similar proposal from 2021 (HB 153), from the **Missouri Highway Patrol** deferred to the DOR for the potential fiscal impact of this proposal.

#### §§301.147, 307.350 & 643.315 – Even/Odd Years for Vehicle Registrations

Officials from the **Department of Revenue (DOR)** assume there will be minimal procedure and system changes that can be absorbed.

**Oversight** does not anticipate there being a significant fiscal impact to DOR based on when a motor vehicle is registered (even vs. odd year). Oversight assumes this allows some level of flexibility to DOR. Therefore, Oversight will not reflect a fiscal impact to DOR on this fiscal note.

In response to a similar proposal from 2021 (HB 578), officials from the **Missouri Department of Transportation** and **Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### §§301.192, 301.280, 407.526, 407.536 & 407.556 – Odometer Readings

In response to a similar proposal from 2021 (HB 664), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

##### Administrative Impact

To incorporate the necessary changes various department systems and procedures will need modifications to apply the changes.

FY2022 – Motor Vehicle Bureau (MVB)

|                                 |                           |           |
|---------------------------------|---------------------------|-----------|
| Associate Research/Data Analyst | 62 hrs. @ \$18.50 per hr. | = \$1,147 |
| Research/Data Analyst           | 16 hrs. @ \$23.09 per hr. | = \$ 369  |
| Administrative Manager          | 8 hrs. @ \$21.57 per hr.  | = \$ 173  |
| Total                           |                           | \$1,689   |

FY 2022 – Strategy and Communications Bureau

|                                 |                           |          |
|---------------------------------|---------------------------|----------|
| Research/Data Assistant         | 4 hrs. @ \$15.49 per hr.  | = \$ 62  |
| Associate Research/Data Analyst | 13 hrs. @ \$18.50 per hr. | = \$ 241 |
| Total                           |                           | \$ 303   |

**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** notes OA-ITSD services will be required at a cost of **\$15,288** in FY 2022 (160.93 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.

In response to a similar proposal from 2021 (HB 664), officials from the **Missouri Department of Transportation** and **Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§302.755 – Commercial Driver License Restrictions

In response to a similar proposal from 2021 (HB 661), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

This new disqualification is mandated per Federal Motor Carrier Safety Regulation changes defined in 49 CFR §383.51 with a mandatory compliance date of September 23, 2022. The Department has no available data that would help them determine the potential volume of drivers who may be convicted under this new provision, but assumes it will be minimal enough to not require additional FTE. If the increase is more significant than anticipated, additional FTE may be requested through the appropriations process.

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

- Complete programming and user acceptance testing of MODL to develop a new action type and MODL code for CDL disqualification for trafficking of persons,
- Update driver history and CDL disqualification evaluation routines;
- Test programs for inbound and outbound conviction processing and driver history eligibility evaluations in MODL and MAI;
- Update interactive applications for automated responses to customers through telephone system (current vendor Genesys) or online (DORA),
- Work with OSCA to ensure courts are informed of the new lifetime disqualification;
- Update the Department website,
- Update form 5231 Commercial Operators and the Law Brochure and form 899 Missouri Driver Record Traffic Violation Descriptions and Points Assessed; and
- Update the Missouri Commercial Driver License Manual.

FY 2022 – Driver License Bureau

|                         |                            |                  |
|-------------------------|----------------------------|------------------|
| Research/Data Analyst   | 160 hrs. @ \$23.82 per hr. | = \$3,053        |
| Research/Data Assistant | 160 hrs. @ \$15.98 per hr. | = <u>\$2,557</u> |
| Total                   |                            | = \$5,610        |

FY 2022 – Personnel Services Bureau

|                                 |                           |                 |
|---------------------------------|---------------------------|-----------------|
| Associate Research/Data Analyst | 60 hrs. @ \$19.08 per hr. | = \$1,145       |
| Research/Data Assistant         | 20 hrs. @ \$15.98 per hr. | = <u>\$ 320</u> |
| Total                           |                           | = \$1,465       |

**Total Costs** = **\$7,075**

**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** notes however, that OA-ITSD services will be required at a cost of **\$26,881** in FY 2022 (282.96 hours x \$95 per hour) to implement these changes to the MODL system.

**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.

In response to a similar proposal from 2021 (HB 661), officials from the **Missouri Highway Patrol** and **Missouri Department of Transportation** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.





**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.

#### Set-up cost

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 upon passage of this bill in FY 2022.

#### 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 2022 and **\$750** in FY 2023 and FY 2024.

#### Mailings

It currently costs 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 2022 and **\$111** in FY 2023 and FY 2024.

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 at a cost of **\$110** (10 months) in FY 2022 and **\$132** in FY 2023 and FY 2024 for letters (\$0.038), envelopes (\$0.068), and postage (\$0.55).

**DOR** notes OA-ITSD services will be required at a cost of **\$21,752** in FY 2022 (228.97 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.

In response to a similar proposal from 2021 (HB 569), officials from the **Department of Health and Senior Services (DHSS)** assumed the following regarding this proposal:

Section 301.3083 of the proposed legislation would create a new specialty license plate for promoting cancer awareness, with a \$25 annual donation provided to the Department of Health and Senior Services to fund cancer awareness activities as a requirement to register for the plate. Based on the history of state revenue gained through specialty license plates, DHSS will not have to change its staffing or how it implements current cancer awareness activities.

Two specialty license plates relating to public health are currently available through the Department of Revenue. As of the most recent data publicly released by the Department of Revenue, the Breast Cancer Awareness plate has been issued to 1,004 vehicles and the Be an Organ Donor plate has been issued to 483 vehicles. The department assumes that this is the range of possible interest for a Cancer Awareness specialty plate, and therefore assumes an average of 744 plates would be requested. As the required donation is \$25, the estimated total revenue would be \$18,600. The proposed legislation specifies that revenue would be deposited in the Missouri public health services fund (MOPHS fund).

Because license plates expire every two years, DHSS assumes that half of the total number of applications for a Cancer Awareness specialty plate will be received the first year of implementation, with the remaining applications being made in the second year of implementation with continuous donations being made in subsequent fiscal years.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the revenue estimates as provided by DHSS.

In response to a similar proposal from 2021 (HB 569), officials from the **Missouri Department of Transportation** and **Office of the State Treasurer** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### §301.3139 – Boy Scouts of America Specialty License Plate Provisions

In response to a similar proposal from 2021 (HB 660), officials from the **Department of Revenue** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

**Oversight** notes the Boy Scouts of America specialty license plate was first authorized in 2004 and additional revenues and costs were indicated in the fiscal note at that time. Oversight notes there are zero Boy Scouts of America specialty license plates issued as of January 2, 2020. Oversight notes this proposal removes the provision that the organization be required to submit a list of potential applicants for the specialty license plate. Oversight assumes there is no additional direct fiscal impact to DOR as a result of this proposal.



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 2022 and **\$750** in FY 2023 and FY 2024.

### Mailings

It currently costs 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 2022 and **\$111** in FY 2023 and FY 2024.

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 at a cost of **\$110** (10 months) in FY 2022 and **\$132** in FY 2023 and FY 2024 for letters (\$0.038), envelopes (\$0.068), and postage (\$0.55).

**DOR** notes OA-ITSD services will be required at a cost of **\$8,311** in FY 2022 (87.48 hours x \$95 per hour).

**Oversight** will reflect the ITSD costs estimated by DOR.

In response to a similar proposal from 2021 (HB 100), officials from the **Missouri Department of Transportation** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

### §302.174 – License Plate Sticker for Deaf or Hard of Hearing

In response to a similar proposal from 2021 (HB 1150), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

#### Administrative Impact

The Department will issue a sticker free of charge to any individual with a deaf or hard of hearing notation on their driver license upon request.

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

- Update procedures, correspondence letters, forms, and the Department website;
- Send communications to stakeholders as applicable; and
- Train Staff.

FY 2022 – Motor Vehicle Bureau

|                                       |          |                   |                |
|---------------------------------------|----------|-------------------|----------------|
| Lead Administrative Support Assistant | 1 hrs.   | @ 14.54 per hr.   | = \$ 15        |
| Research/Data Assistant               | 10 hrs.  | @ \$15.49 per hr. | = \$ 155       |
| Associate Research/Data Analyst       | 133 hrs. | @ \$18.50 per hr. | = \$2,461      |
| Research/Data Analyst                 | 33 hrs.  | @ \$23.09 per hr. | = \$ 762       |
| Administrative Manager                | 17 hrs.  | @ \$21.57 per hr. | = \$ 367       |
| Total                                 |          |                   | <u>\$3,760</u> |

FY 2022 – Strategy and Communications Office

|                                 |         |                   |              |
|---------------------------------|---------|-------------------|--------------|
| Associate Research/Data Analyst | 20 hrs. | @ \$18.50 per hr. | = \$370      |
| Total                           |         |                   | <u>\$370</u> |

**Total Costs = \$4,130**

The Department anticipates that they will be able to absorb these cost. If multiple bills are passed that require Department resources, FTE may be requested through the appropriations process.

**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** notes OA-ITSD services will be required at a cost of **\$33,756** in FY 2022 (355 hours x \$95 per hour) and **\$3,376** in subsequent years.

**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

Based on current inventory the Department anticipates the cost per sticker to be \$0.09. Currently the Department has approximately 13,093 individuals that have been issued a driver licenses with a DHH notation. Assuming every individual with a DHH notation owns two vehicles and request the new DHH sticker the Department anticipates the approximate cost of **\$2,357** per year.

**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.

In response to a similar proposal from 2021 (HB 1150), officials from the **Missouri Highway Patrol** and **Missouri Department of Transportation** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§304.050 – Head Start Buses

In response to a similar proposal from 2021 (HB 257), officials from the **Missouri Department of Transportation**, the **Missouri Highway Patrol** and the **Department of Revenue** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies 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.

Oversight notes the following number of misdemeanor charges were disposed as guilty for Section 304.050

|         |    |
|---------|----|
| FY 2020 | 59 |
| FY 2019 | 45 |
| FY 2018 | 40 |
| FY 2017 | 58 |

Oversight assumes these changes will not materially alter the number of convictions (increased fine revenue, court cost revenue and local jail expense). Therefore, Oversight will reflect no fiscal impact from these changes.

**SEQ CHAPTER 18** §306.030 – Permanent Boat Registrations

In response to a similar proposal from 2021 (HCS for SCS for SB 49), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

The proposed language establishes a permanent registration option for vessels and watercraft titled in Missouri.

Below are the proposed fees associated to permanent registrations.

|               |                       | <b>Current three-year fee</b> | <b>Proposed permanent fee</b> |
|---------------|-----------------------|-------------------------------|-------------------------------|
| <b>Length</b> | < 16 feet             | \$25.00                       | \$75.00                       |
|               | > 16 feet & < 26 feet | \$55.00                       | \$165.00                      |
|               | > 26 feet & < 40 feet | \$100.00                      | \$300.00                      |
|               | > 40 feet             | \$150.00                      | \$450.00                      |

Administrative Impact

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

- Update internal procedures, forms, and Department website;

- Update the Missouri Titling Manual;
- Implement identified system changes and conduct UAT testing;
- Train Staff

FY 2022 – Motor Vehicle Bureau

|                                       |                            |   |         |
|---------------------------------------|----------------------------|---|---------|
| Lead Administrative Support Assistant | 10 hrs. @ \$14.54 per hr.  | = | \$145   |
| Research /Data Assistant              | 35 hrs. @ \$15.49 per hr.  | = | \$542   |
| Associate Research/Data Analyst       | 470 hrs. @ \$18.50 per hr. | = | \$8,695 |
| Research/Data Analyst                 | 118 hrs. @ \$23.09 per hr. | = | \$2,725 |
| Administrative Manager                | 59 hrs. @ \$21.56 per hr.  | = | \$1,273 |

FY 2022 – Strategy and Communications Office

|                                 |                           |   |       |
|---------------------------------|---------------------------|---|-------|
| Associate Research/Data Analyst | 40 hrs. @ \$18.50 per hr. | = | \$740 |
|---------------------------------|---------------------------|---|-------|

**Total Costs** = **\$14,120**

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

The Department does not have an estimated cost for the design of a permanent boat decal at this time. The Department anticipates that they will be able to absorb the cost associated to the new design and implementation.

**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** notes OA-ITSD services will be required at a cost of **\$165,494** in FY 2022 (1,742 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

The Department is unable to estimate the number of owners that will elect to obtain a permanent registration for their vessel or watercraft.

For the purpose of this response, the Department assumes that 50% of owners will elect the permanent registration instead of the current 3-year registration for their vessel or watercraft. Current and proposed registration fees:



|               |                       | <b>Current three-year fee</b> | <b>Proposed permanent fee</b> |
|---------------|-----------------------|-------------------------------|-------------------------------|
| <b>Length</b> | < 16 feet             | \$25.00                       | \$75.00                       |
|               | > 16 feet & < 26 feet | \$55.00                       | \$165.00                      |
|               | > 26 feet & < 40 feet | \$100.00                      | \$300.00                      |
|               | > 40 feet             | \$150.00                      | \$450.00                      |

Estimated Revenue Collected:

| FY 2022 Expiration   |                                    |                               |  |  |
|----------------------|------------------------------------|-------------------------------|--|--|
| <b>Length</b>        | <b>Current Total Registrations</b> | <b>Current 3-Year Renewal</b> | <b>If 50% Elect for 3-Year Renewal</b> | <b>If 50% Elect for Permanent Registration</b> |
| < 16 feet            | 25,391                             | \$634,775                     | \$317,400                              | \$793,469                                      |
| >16 feet & < 28 feet | 54,866                             | \$3,017,630                   | \$1,508,815                            | \$3,772,038                                    |
| >28 feet & < 40 feet | 5,486                              | \$548,600                     | \$274,300                              | \$685,750                                      |
| >40 feet             | 472                                | \$70,800                      | \$35,400                               | \$88,500                                       |
| <b>Total</b>         | <b>86,215</b>                      | <b>\$4,271,805</b>            | <b>\$2,135,915</b>                     | <b>\$5,339,757</b>                             |

Difference: \$3,203,842

| FY 2023 Expiration   |                                    |                               |  |  |
|----------------------|------------------------------------|-------------------------------|--|--|
| <b>Length</b>        | <b>Current Total Registrations</b> | <b>Current 3-Year Renewal</b> | <b>If 50% Elect for 3-Year Renewal</b> | <b>If 50% Elect for Permanent Registration</b> |
| < 16 feet            | 26,672                             | \$666,800                     | \$333,400                              | \$1,000,200                                    |
| >16 feet & < 28 feet | 58,735                             | \$3,230,425                   | \$1,615,680                            | \$4,845,638                                    |
| >28 feet & < 40 feet | 5,359                              | \$535,900                     | \$267,900                              | \$803,850                                      |
| >40 feet             | 459                                | \$68,850                      | \$34,350                               | \$103,275                                      |
| <b>Total</b>         | <b>91,225</b>                      | <b>\$4,501,975</b>            | <b>\$2,251,330</b>                     | <b>\$6,752,963</b>                             |

Difference: \$4,501,633

| FY 2024 Expiration*  |                             |                        |                                 |   |
|----------------------|-----------------------------|------------------------|---------------------------------|---|
| Length               | Current Total Registrations | Current 3-Year Renewal | If 50% Elect for 3-Year Renewal | If 50% Elect for Permanent Registration |
| < 16 feet            | 25,078                      | \$626,950              | \$313,475                       | \$940,425                               |
| >16 feet & < 28 feet | 52,474                      | \$2,886,070            | \$1,443,035                     | \$4,329,105                             |
| >28 feet & < 40 feet | 5,197                       | \$519,700              | \$259,800                       | \$779,550                               |
| >40 feet             | 527                         | \$79,050               | \$39,450                        | \$118,575                               |
| <b>Total</b>         | <b>83,276</b>               | <b>\$4,111,770</b>     | <b>\$2,055,760</b>              | <b>\$6,167,655</b>                      |

\*FY 24 numbers are based on FY 21 registrations that are set to expire in June 2021

Difference: \$4,111,895

| Average New Registrations |   |                        |                                 |   |
|---------------------------|---|------------------------|---------------------------------|---|
| Length                    | Average New Registrations From Previous 3 Years | Current 3-Year Renewal | If 50% Elect for 3-Year Renewal | If 50% Elect for Permanent Registration |
| < 16 feet                 | 11,474  | \$286,850              | \$143,425                       | \$430,275                               |
| >16 feet & < 28 feet      | 23,174  | \$1,274,570            | \$637,285                       | \$1,911,855                             |
| >28 feet & < 40 feet      | 1,413   | \$141,300              | \$70,600                        | \$211,950                               |
| >40 feet                  | 603   | \$90,450               | \$45,150                        | \$135,675                               |
| <b>Total</b>              | <b>36,664</b>                                   | <b>\$1,793,170</b>     | <b>\$896,460</b>                | <b>\$2,689,755</b>                      |

While the Department will see an increase in revenue for FY 2022, FY 2023, and FY 2024, as a result of the increased fees for permanent registrations, the Department anticipates a potential decline in revenue for subsequent fiscal years. This decrease will negatively impact the Water Patrol Division Fund.

**Oversight** notes the following increases in revenue:

| FY 2022 Expiration (10/12 of a full year) |                             |                        |                                 |   |                     |
|---|-----------------------------|------------------------|---------------------------------|---|---------------------|
| Length                                    | Current Total Registrations | Current 3-Year Renewal | If 50% Elect for 3-Year Renewal | If 50% Elect for Permanent Registration | Increase in Revenue |
| < 16 feet                                 | 25,391                      | \$634,775              | \$317,388                       | \$952,163                               | <b>\$528,979</b>    |
| >16 feet & < 28 feet                      | 54,866                      | \$3,017,630            | \$1,508,815                     | \$4,526,445                             | <b>\$2,514,692</b>  |
| >28 feet & < 40 feet                      | 5,486                       | \$548,600              | \$274,300                       | \$822,900                               | <b>\$457,167</b>    |
| >40 feet                                  | 472                         | \$70,800               | \$35,400                        | \$106,200                               | <b>\$59,000</b>     |
| <b>Total</b>                              | <b>86,215</b>               | <b>\$4,271,805</b>     | <b>\$2,135,903</b>              | <b>\$6,407,708</b>                      | <b>\$3,559,838</b>  |

| FY 2023 Expiration   |                             |                        |                                 |   |                     |
|----------------------|-----------------------------|------------------------|---------------------------------|---|---------------------|
| Length               | Current Total Registrations | Current 3-Year Renewal | If 50% Elect for 3-Year Renewal | If 50% Elect for Permanent Registration | Increase in Revenue |
| < 16 feet            | 26,672                      | \$666,800              | \$333,400                       | \$1,000,200                             | <b>\$666,800</b>    |
| >16 feet & < 28 feet | 58,735                      | \$3,230,425            | \$1,615,213                     | \$4,845,638                             | <b>\$3,230,425</b>  |
| >28 feet & < 40 feet | 5,359                       | \$535,900              | \$267,950                       | \$803,850                               | <b>\$535,900</b>    |
| >40 feet             | 459                         | \$68,850               | \$34,425                        | \$103,275                               | <b>\$68,850</b>     |
| <b>Total</b>         | <b>91,225</b>               | <b>\$4,501,975</b>     | <b>\$2,250,988</b>              | <b>\$6,752,963</b>                      | <b>\$4,501,975</b>  |

| FY 2024 Expiration   |                             |                        |                                 |   |                     |
|----------------------|-----------------------------|------------------------|---------------------------------|---|---------------------|
| Length               | Current Total Registrations | Current 3-Year Renewal | If 50% Elect for 3-Year Renewal | If 50% Elect for Permanent Registration | Increase in Revenue |
| < 16 feet            | 11,474                      | \$286,850              | \$143,425                       | \$430,275                               | <b>\$626,950</b>    |
| >16 feet & < 28 feet | 23,174                      | \$1,274,570            | \$637,285                       | \$1,911,855                             | <b>\$2,886,070</b>  |
| >28 feet & < 40 feet | 1,413                       | \$141,300              | \$70,650                        | \$211,950                               | <b>\$519,700</b>    |
| >40 feet             | 603                         | \$90,450               | \$45,225                        | \$135,675                               | <b>\$79,050</b>     |
| <b>Total</b>         | <b>36,664</b>               | <b>\$1,793,170</b>     | <b>\$896,585</b>                | <b>\$2,689,755</b>                      | <b>\$4,111,770</b>  |

| Average New Registrations |                             |                        |                                 |   |                     |
|---------------------------|-----------------------------|------------------------|---------------------------------|---|---------------------|
| Length                    | Current Total Registrations | Current 3-Year Renewal | If 50% Elect for 3-Year Renewal | If 50% Elect for Permanent Registration | Increase in Revenue |
| < 16 feet                 | 11,474                      | \$286,850              | \$143,425                       | \$430,275                               | <b>\$286,850</b>    |
| >16 feet & < 28 feet      | 23,174                      | \$1,274,570            | \$637,285                       | \$1,911,855                             | <b>\$1,274,570</b>  |
| >28 feet & < 40 feet      | 1,413                       | \$141,300              | \$70,650                        | \$211,950                               | <b>\$141,300</b>    |
| >40 feet                  | 603                         | \$90,450               | \$45,225                        | \$135,675                               | <b>\$90,450</b>     |
| <b>Total</b>              | <b>36,664</b>               | <b>\$1,793,170</b>     | <b>\$896,585</b>                | <b>\$2,689,755</b>                      | <b>\$1,793,170</b>  |

**Oversight** notes the increase in revenue each fiscal year plus the average new registration revenue will be more or less than:

FY 2022 - \$3,559,838 + 1,793,170 = \$5,353,008

FY 2023 - \$4,501,975 + 1,793,170 = \$6,295,145

FY 2024 - \$4,111,770 + 1,793,170 = \$5,904,940

**Oversight** notes moneys collected under §306.030, RSMo are deposited into the Water Patrol Division Fund (0400), after the first \$1 million collected is deposited into General Revenue. Oversight assumes General Revenue revenues will not be impacted by this additional up-front registration fee option.

**Oversight** notes annual revenue may decrease in the fourth year due to those that obtained a permanent registration in the first year the option was available. For fiscal note purposes, Oversight will use the estimate of 50% that elect to obtain a permanent registration provided by DOR.

Oversight notes there was a \$4,388,987 balance in the Water Patrol Division Fund (0400) as of December 31, 2020.

In response to a similar proposal from 2021 (HCS for SCS for SB 49), officials from the **Missouri Highway Patrol** deferred to the DOR for the potential fiscal impact of this proposal.

In response to a similar proposal from 2021 (HCS for SCS for SB 49), officials from the **Missouri Department of Transportation** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§§407.005, 407.300 & 570.030 – Catalytic Converters

In response to a similar proposal from 2021 (HCS for HB 1153), officials from the **Department of Corrections (DOC)** stated this proposal provides provisions relating to catalytic converters. It states the offense of stealing is a class E felony if the property appropriated is a catalytic converter.

For each new nonviolent class E felony, the DOC estimates one person will be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the DOC is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2024.

|         | # to<br>prison | Cost per<br>year | Total Costs for<br><b>prison</b> | # to<br>probation<br>& parole | Cost per<br>year | Total cost<br>for<br><b>probation<br/>and parole</b> | Grand Total -<br>Prison and<br>Probation<br>(includes 2%<br>inflation) |
|---------|----------------|------------------|----------------------------------|-------------------------------|------------------|--|--|
| Year 1  | 1              | (\$7,756)        | (\$6,463)                        | 2                             | absorbed         | \$0  | (\$6,463)  |
| Year 2  | 2              | (\$7,756)        | (\$15,822)                       | 4                             | absorbed         | \$0  | (\$15,822)   |
| Year 3  | 2              | (\$7,756)        | (\$16,139)                       | 7                             | absorbed         | \$0  | (\$16,139)   |
| Year 4  | 2              | (\$7,756)        | (\$16,461)                       | 7                             | absorbed         | \$0  | (\$16,461)   |
| Year 5  | 2              | (\$7,756)        | (\$16,791)                       | 7                             | absorbed         | \$0  | (\$16,791)   |
| Year 6  | 2              | (\$7,756)        | (\$17,127)                       | 7                             | absorbed         | \$0  | (\$17,127)   |
| Year 7  | 2              | (\$7,756)        | (\$17,469)                       | 7                             | absorbed         | \$0  | (\$17,469)   |
| Year 8  | 2              | (\$7,756)        | (\$17,818)                       | 7                             | absorbed         | \$0  | (\$17,818)   |
| Year 9  | 2              | (\$7,756)        | (\$18,175)                       | 7                             | absorbed         | \$0  | (\$18,175)   |
| Year 10 | 2              | (\$7,756)        | (\$18,538)                       | 7                             | absorbed         | \$0  | (\$18,538)   |

**Oversight** does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's estimated impact for fiscal note purposes.

In response to a similar proposal from 2021 (HCS for HB 1153), officials from the **Attorney General's Office, the Missouri Office of Prosecution Services, Department of Public Safety**

– (**Missouri Highway Patrol and Office of the Director**), the **Department of Revenue**, the **Office of the State Courts Administrator**, the **Office of the Secretary of State**, the **Office of the State Public Defender**, the **Ellisville Police Department**, the **St. Joseph Police Department** the **Kansas City Police Department**, and the **St. Louis County Police Department** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a previous version, officials from the each assumed the proposal will have no fiscal impact on their respective organizations.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** notes that violations of Section 407.300, RSMo. could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fine varies widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts.

#### §307.128 – Motorcycle Lighting

In response to a similar proposal from 2021 (HB 996), officials from the **Missouri Department of Transportation**, **Missouri Highway Patrol** and **Department of Revenue** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal from 2021 (HB 996), officials from the **Crestwood Police Department**, **Kansas City Police Department** and **St. Louis County Police Department** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies 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.

#### Section 1 – License Plate Brackets

**Oversight** assumes there will be no fiscal impact from this section.

Bill as a Whole

**Oversight** only reflects the responses that they have received from state agencies and political subdivisions; however, other cities, counties and law enforcement agencies 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.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 their office can sustain within their core budget. Therefore, they reserve 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.

| <u>FISCAL IMPACT –</u><br><u>State Government</u>   | FY 2022<br>(10 Mo.) | FY 2023    | FY 2024          |
|---|---------------------|------------|------------------|
| <b>GENERAL<br/>REVENUE FUND</b>   |                     |            |                  |
| <u>Savings – DOR -</u><br>Envelopes, postage, and<br>card stock (§115.160)<br>p. 7  | \$23,894            | \$23,894   | \$23,894         |
| <u>Revenue Reduction –</u><br>State Tax Withholding<br>Diverted From GR Into<br>The Port Authority AIM<br>Zone Fund (§68.075)<br>p. 5 | \$0                 | \$0        | \$0 or (Unknown) |
| <u>Cost – DOR – OA-</u><br>ITSD services<br>(§115.160) p. 7   | (\$175,036)         | (\$35,882) | (\$36,779)       |
| <u>Cost – DOR – OA-</u><br>ITSD services<br>(§301.033) p. 13  | (\$60,432)          | \$0        | \$0              |
| <u>Cost – DOR – OA-</u><br>ITSD services<br>(§8301.192, 301.280,<br>407.526, 407.536 &<br>407.556) p. 15                              | (\$15,288)          | \$0        | \$0              |
| <u>Cost – DOR – OA-</u><br>ITSD services<br>(§301.558) p. 10  | (\$67,306)          | (\$6,731)  | (\$6,731)        |
| <u>Cost – DOR – OA-</u><br>ITSD services<br>(§302.755) p. 16  | (\$26,881)          | \$0        | \$0              |
| <u>Cost – DOR – OA-</u><br>ITSD services<br>(§301.3083) p. 18   | (\$21,752)          | \$0        | \$0              |



|  |                           |                          |                                       |
|--|---------------------------|--------------------------|---------------------------------------|
| <u>Costs</u> – DOR ITSD services §301.3179 p. 21   | (\$8,311)                 | \$0                      | \$0                                   |
| <u>Cost</u> – DOR – OA-ITSD services (8302.174) p. 22                                      | (\$33,756)                | (\$3,376)                | (\$3,376)                             |
| <u>Cost</u> – DOR – OA-ITSD Services (8306.030) p. 24                                      | (\$165,494)               | \$0                      | \$0                                   |
| <b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>                                    | <b><u>(\$550,362)</u></b> | <b><u>(\$22,095)</u></b> | <b>Could exceed <u>(\$22,992)</u></b> |
| <u>FISCAL IMPACT</u> – State Government  | FY 2022 (10 Mo.)          | FY 2023                  | FY 2024                               |
| <b>MISSOURI PUBLIC HEALTH SERVICES FUND (0298)</b>   |                           |                          |                                       |
| <u>Revenue</u> – DHSS - \$25 annual fee/contribution per specialty plate (8301.3083) p. 19 | <u>\$9,300</u>            | <u>\$18,600</u>          | <u>\$18,600</u>                       |
| <b>ESTIMATED NET EFFECT ON THE MISSOURI PUBLIC HEALTH SERVICES FUND</b>                    | <b><u>\$9,300</u></b>     | <b><u>\$18,600</u></b>   | <b><u>\$18,600</u></b>                |
|  |                           |                          |                                       |
|  |                           |                          |                                       |
| <b>MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND</b>  |                           |                          |                                       |

|   |   |   |   |
|---|---|---|---|
| <u>Revenue</u> – DOR – 10% of administrative fee charged by dealers – ranged from \$100 to \$500 per administrative fee (§301.558) p.10 | Could exceed<br>\$5,416,667 to<br><u>\$27,083,333</u> | Could exceed<br>\$6,500,000 to<br><u>\$32,500,000</u> | Could exceed<br>\$6,500,000 to<br><u>\$32,500,000</u> |
| <b>ESTIMATED NET EFFECT ON THE MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND</b>   | Could exceed<br>\$5,416,667 to<br><u>\$27,083,333</u> | Could exceed<br>\$6,500,000 to<br><u>\$32,500,000</u> | Could exceed<br>\$6,500,000 to<br><u>\$32,500,000</u> |
|   |   |   |   |
|   |   |   |   |
| <u>FISCAL IMPACT</u> – State Government   | FY 2022<br>(10 Mo.)                                   | FY 2023   | FY 2024   |
| <b>PORT AUTHORITY AIM ZONE FUND</b>   |   |   |   |
| <u>Transfer In</u> –State Tax Withholding Diverted From GR Into The Port Authority AIM Zone Fund (§68.075) p. 5                         | \$0   | \$0   | \$0 or Unknown  |
| <u>Transfer Out</u> – Disbursements Of Funds In Port Authority AIM Zone Fund To Port Authorities (§68.075) p. 5                         | <u>\$0</u>  | <u>\$0</u>  | <u>\$0 or (Unknown)</u>                               |
| <b>ESTIMATED NET EFFECT ON THE PORT AUTHORITY AIM ZONE FUND</b>   | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  |

|  |   |   |   |
|--|---|---|---|
|  |   |   |   |
| <b>STATE ROAD FUND</b>   |   |   |   |
|  |   |   |   |
| <u>Cost - MoDOT - additional signs (88300.155 &amp; 304.281) p. 12</u>     | <u>(\$46,350)</u>                           | <u>\$0</u>                                  | <u>\$0</u>                                  |
|  |   |   |   |
| <b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>                         | <b><u>(\$46,350)</u></b>                    | <b><u>\$0</u></b>                           | <b><u>\$0</u></b>                           |
|  |   |   |   |
|  |   |   |   |
|  |   |   |   |
| <u>FISCAL IMPACT – State Government</u>                                    | <u>FY 2022 (10 Mo.)</u>                     | <u>FY 2023</u>                              | <u>FY 2024</u>                              |
|  |   |   |   |
| <b>WATER PATROL DIVISION FUND (0400)</b>                                   |   |   |   |
|  |   |   |   |
| <u>Revenue Increase – Fees for permanent certificates (8306.030) p. 28</u> | <u>More or less than \$5,353,008</u>        | <u>More or less than \$6,295,145</u>        | <u>More or less than \$5,904,940</u>        |
|  |   |   |   |
| <b>ESTIMATED NET EFFECT ON THE WATER PATROL DIVISION FUND</b>              | <b><u>More or less than \$4,553,008</u></b> | <b><u>More or less than \$6,295,145</u></b> | <b><u>More or less than \$5,904,940</u></b> |



| <u>FISCAL IMPACT –<br/>Local Government</u>   | FY 2022<br>(10 Mo.)             | FY 2023                         | FY 2024                         |
|---|---------------------------------|---------------------------------|---------------------------------|
| <b>LOCAL<br/>POLITICAL<br/>SUBDIVISIONS</b>   |                                 |                                 |                                 |
| <u>Revenue Gain –<br/>Disbursements To<br/>Port Authorities From<br/>The Port Authority<br/>AIM Zone Fund<br/>(\$68.075) p. 6</u> | \$0                             | \$0                             | \$0 or Unknown                  |
| <u>Savings - Local<br/>Election Authorities -<br/>Electronic<br/>registrations<br/>(\$115.160.3) p. 7</u>                         | Unknown                         | Unknown                         | Unknown                         |
| <u>Fine Revenue –<br/>School Districts -<br/>from the changes in<br/>local log trucks<br/>(\$8301.010 &amp;<br/>304.240) p. 9</u> | Unknown to<br>(Unknown)         | Unknown to<br>(Unknown)         | Unknown to<br>(Unknown)         |
| <u>Costs – cities and<br/>counties - additional<br/>signs (\$8300.155 &amp;<br/>304.281) p. 12</u>                                | \$0 or<br>(Unknown)             | <u>\$0</u>                      | <u>\$0</u>                      |
| <b>ESTIMATED NET<br/>EFFECT ON<br/>LOCAL PORT<br/>AUTHORITIES</b>   | <b>Unknown to<br/>(Unknown)</b> | <b>Unknown to<br/>(Unknown)</b> | <b>Unknown to<br/>(Unknown)</b> |

FISCAL IMPACT – Small Business

§8301.010 & 304.240 - Small businesses log truck companies would be impacted by this proposal.

§301.033 - Small agriculture businesses could be positively impacted by this proposal.

§301.558 - Motor vehicle dealers will be able to charge more in administrative fees as a result of this proposal.

§306.030 - Small businesses that register vessels in Missouri could be impacted by this proposal.

### FISCAL DESCRIPTION

This proposal modifies provisions relating to transportation.

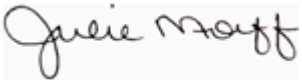
This legislation is partially federally mandated (§302.755), would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

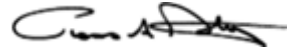
Missouri Department of Transportation  
Missouri Highway Patrol  
Attorney General's Office  
Department of Revenue  
Department of Elementary and Secondary Education  
Office of Administration  
Office of Administration – Budget & Planning Division  
Missouri Department of Economic Development  
Missouri State Treasurer's Office  
Office of the State Public Defender  
Office of the State Courts Administrator  
Department of Public Safety – Director's Office  
Missouri Office of Prosecution Services  
Missouri Department of Agriculture  
Department of Health and Senior Services  
Department of Corrections  
City of Ballwin  
City of Corder  
City of Claycomo  
City of Hale  
City of Houstonia  
City of Kanas City  
City of La Monte  
City of O'Fallon  
City of Springfield  
City of St. Louis  
Crestwood Police Department  
Ellisville Police Department  
Kansas City Police Department  
Springfield Police Department  
St. Louis County Police Department

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St. Joseph Police Department  
Kansas City Election Board  
Platte County Board of Elections  
St. Louis County Board of Elections



Julie Morff  
Director  
May 7, 2021



Ross Strobe  
Assistant Director  
May 7, 2021