

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1040H.06C
Bill No.: HCS for SS for SB 89
Subject: Transportation
Type: Original
Date: April 29, 2021

Bill Summary: This proposal modifies provisions relating to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue Fund	(\$233,725)	(\$10,107)	Could exceed (10,107)
Total Estimated Net Effect on General Revenue	(\$233,725)	(\$10,107)	Could exceed (10,107)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
State Road Fund	(\$46,350)	\$0	\$0
Port Authority AIM Zone Fund	\$0	\$0	\$0
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
Missouri Public Health Service Fund	\$9,300	\$18,600	\$18,600
Total Estimated Net Effect on Other State Funds	Could exceed \$5,379,617 to \$27,046,283	Could exceed \$6,518,600 to \$32,518,600	Could exceed \$6,518,600 to \$32,518,600

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§9.315 – School Bus Driver’s Appreciation Day

In response to a similar proposal from this year (HB 639), officials from the **Office of Administration** and **Department of Elementary and Secondary Education** each assumed 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 this section.

§68.075 – AIM Zones extension

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, develop and redevelop of AIM Zones, managerial expenses, engineering, legal expenses, research, promotion expenses, planning, satisfaction of bonds, and any other expenses.

In response to similar legislation (SB 636 – 2020) 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:

AIM Zone	Date of Adoption
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 (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.

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.

88300.010, 301.010, 302.010, 303.020, 304.001, 307.025, 307.180, 307.188, 307.193, 307.194, 365.020, 407.560, 407.815, 407.1025 & 578.120 – Electric Bicycles

In response to a similar proposal from this year (Perfected HB 307), officials from the **Missouri Department of Transportation, Department of Public Safety -Missouri Highway Patrol** and **Department of Revenue** 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.

88301.010 & 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.	= \$ 108
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.	\$0.02 / lb	Up to 5,000 lbs.	\$0.10 / lb
500 - 1,000 lbs	\$0.05 / lb	5,000 - 10,000 lbs	\$0.20 / lb
above 1,000 lbs.	\$0.10 / lb	above 10,000 lbs.	\$0.50 / 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

§88304.022 & 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 assumed 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.

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.

88300.155 & 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
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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.

Officials from the **Department of Commerce and Insurance, the Department of Public Safety - Missouri Highway Patrol, the Missouri Department of Transportation, the Missouri Office of Prosecution Services and the Office of the State Courts Administrator** each assume 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.

For the purpose of the proposed legislation, and as a result of excessive caseloads, the **Missouri State Public Defender (SPD)** cannot assume existing staff will be able to provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime(s) relating to the tow truck drivers under Section 304.153. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized

standards. While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the Missouri State Public Defender will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attaches.

Oversight assumes the SPD will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the SPD for fiscal note purposes.

§301.033 – Farm Vehicle Registration

In response to a similar proposal from this year (Perfected 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.

FY2021 – 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 2021 – 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.

In response to a similar proposal from this year (Perfected HB 153), officials of **DOR** noted 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 this year (Perfected HB 153), officials from the **Missouri Department of Agriculture** and **Missouri Department of Transportation** 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.

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

88301.147, 307.350 & 643.315 – Biennial Vehicle Registrations

In response to a similar proposal from this year (SCS for HB 578), officials from the **Department of Revenue (DOR)** assumed 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 these sections of this fiscal note.

In response to a similar proposal from this year (SCS for HB 578), officials from the **Missouri Highway Patrol** assumed the proposal will 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 these provisions of the proposal.

In response to a similar proposal from this year (SCS for HB 578), officials from the **Missouri Department of Transportation** deferred to the DOR for the potential fiscal impact of this proposal.

88301.192, 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.

§§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.

§301.3083 – Cancer Awareness License Plate

According to a report provided by the Department of Revenue, **Oversight** notes there are currently 207 different types of specialty license plate designs available in Missouri. From these 207 specialty license plates, there were 63,910 registrations as of February 3, 2020:

0 Registrations	Less than 100 Registrations	Less than 1,000 Registrations	More than 1,000 Registrations
48	91	52	16

For most designs, there is a \$15 initial fee to apply for each specialty license plate and a \$15 annual renewal fee. However, the following designs do not have the \$15 fee; Congressional Medal of Honor (§301.145, RSMo), Disabled Veteran (§301.071, RSMo), Former Prisoner of War (§301.443, RSMo), Purple Heart (§301.451, RSMo), Retired Military Air Force (§301.441, RSMo), Retired Military Army (§301.441, RSMo), Retired Military Coast Guard (§301.441, RSMo), Retired Military Marine (§301.441, RSMo), Retired Military Marine Corps League (§301.441, RSMo), Retired Military Merchant Marine (§301.441, RSMo), Retired Military National Guard (§301.441, RSMo), Retired Military Navy (§301.441, RSMo), and We Shall Not Forget (§301.3142, RSMo).

In response to a similar proposal from this year (HB 569), 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 and the Department website;
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716);
- Communicate with the Negro Leagues Baseball Museum for development of the license plate; and
- Complete programming and user acceptance testing for identified systems.

FY 2022 – Motor Vehicle Bureau

Associate Research/Data Analyst 240 hrs. @ \$18.50 per hr. = \$4,440

FY 2022 – Strategy and Communications Office

Associate Research/Data Analyst 10 hrs. @ \$18.50 per hr. = \$ 185

<u>FY 2022 – General Services Bureau</u>		
Lead Administrative Support Assistant	5 hrs. @ \$14.54 per hr.	= \$ 73
Total Costs		= \$4,698

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.

Officials from the **Department of Health and Senior Services (DHSS)** assume 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 this year (HB 569), officials from the **Missouri Department of Transportation** and **Office of the State Treasurer** 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.

§301.3139 – Boy Scouts of America License Plate

According to a report provided by the Department of Revenue, **Oversight** notes there are currently 207 different types of specialty license plate designs available in Missouri. From these 207 specialty license plates, there were 63,910 registrations as of February 3, 2020:

0 Registrations	Less than 100 Registrations	Less than 1,000 Registrations	More than 1,000 Registrations
48	91	52	16

For most designs, there is a \$15 initial fee to apply for each specialty license plate and a \$15 annual renewal fee. However, the following designs do not have the \$15 fee; Congressional Medal of Honor (§301.145, RSMo), Disabled Veteran (§301.071, RSMo), Former Prisoner of War (§301.443, RSMo), Purple Heart (§301.451, RSMo), Retired Military Air Force (§301.441, RSMo), Retired Military Army (§301.441, RSMo), Retired Military Coast Guard (§301.441, RSMo), Retired Military Marine (§301.441, RSMo), Retired Military Marine Corps League (§301.441, RSMo), Retired Military Merchant Marine (§301.441, RSMo), Retired Military National Guard (§301.441, RSMo), Retired Military Navy (§301.441, RSMo), and We Shall Not Forget (§301.3142, RSMo).

In response to a similar proposal from this year (HB 660), officials from the **Department of Revenue** assumed the proposal will 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.

§301.3179 – Negro League Baseball Museum License Plate

According to a report provided by the Department of Revenue, **Oversight** notes there are currently 207 different types of specialty license plate designs available in Missouri. From these 207 specialty license plates, there were 63,910 registrations as of February 3, 2020:

0 Registrations	Less than 100 Registrations	Less than 1,000 Registrations	More than 1,000 Registrations
48	91	52	16

For most designs, there is a \$15 initial fee to apply for each specialty license plate and a \$15 annual renewal fee. However, the following designs do not have the \$15 fee; Congressional Medal of Honor (§301.145, RSMo), Disabled Veteran (§301.071, RSMo), Former Prisoner of War (§301.443, RSMo), Purple Heart (§301.451, RSMo), Retired Military Air Force (§301.441, RSMo), Retired Military Army (§301.441, RSMo), Retired Military Coast Guard (§301.441, RSMo), Retired Military Marine (§301.441, RSMo), Retired Military Marine Corps League (§301.441, RSMo), Retired Military Merchant Marine (§301.441, RSMo), Retired Military

National Guard (§301.441, RSMo), Retired Military Navy (§301.441, RSMo), and We Shall Not Forget (§301.3142, RSMo).

In response to a similar proposal from this year (SB 189), 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 and the Department website;
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716);
- Communicate with the Negro Leagues Baseball Museum for development of the license plate; and
- Complete programming and user acceptance testing for identified systems.

FY 2022 – Motor Vehicle Bureau

Associate Research/Data Analyst	240 hrs. @ \$18.50 per hr.	= \$4,440
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FY 2022 – Strategy and Communications Office

Associate Research/Data Analyst	10 hrs. @ \$18.50 per hr.	= \$ 185
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FY 2022 – General Services Bureau

Lead Administrative Support Assistant	5 hrs. @ \$14.54 per hr.	= \$ 73
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Total Costs **= \$4,698**

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 **\$8,311** in FY 2022 (87.48 hours x \$95 per hour).

In response to a similar proposal from this year (SB 189), officials from the **Missouri Department of Transportation** assumed the proposal will 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.

§302.174 – Deaf or Hard of Hearing Notation Sticker

In response to a similar proposal from this year (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			\$3,760

<u>FY 2022 – Strategy and Communications Office</u>			
Associate Research/Data Analyst	20 hrs.	@ \$18.50 per hr.	= \$370
Total			\$370

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 this year (HB 1150), officials from the **Missouri Highway Patrol** and **Missouri Department of Transportation** 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.

§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 us 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.	= \$2,557
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.	= \$320
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.

§304.050 – Head Start Busses

In response to a similar proposal from this year (HB 257), officials from the **Missouri Department of Transportation**, the **Missouri Highway Patrol** and the **Department of Revenue** each assumed 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.

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.

304.153, 385.450 – Motor clubs

Oversight notes officials from Department of Commerce and Insurance stated motor clubs are not currently taxed under Chapter 148 and section 385.450.2 of the bill will not change taxation.

§307.125 – Auxiliary Lighting for Motorcycles

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

In response to a similar proposal from this year (HB 996), officials from the **Crestwood Police Department**, **Kansas City Police Department** and **St. Louis County Police Department** each assumed 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 this section.

§§407.300 and 570.030 – Theft of copper

In response to a similar proposal from this year (HB 69), officials from the **Missouri State Public Defender (SPD)** cannot assume existing staff will be able to provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime(s) of class B misdemeanor offense of selling copper within ten years of conviction for the offense of stealing copper under Section 570.030. However, if this offense was classified as a class D misdemeanor, it would not qualify for public defender representation because it would be punishable by a fine only and, therefore, would be no impact on the SPD. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards. While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the Missouri State Public Defender will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attaches.

Oversight assumes the SPD will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the SPD for fiscal note purposes.

In response to a similar proposal from this year (HB 69), officials from the **Attorney General's Office**, the **Department of Public Safety - Missouri Highway Patrol**, the **Office of the Secretary of State**, the **Missouri Office of Prosecution Services**, and the **Office of the State Courts Administrator** each assume 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.

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<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Revenue Reduction</u> – Section 68.075 – State Tax Withholding Diverted From GR Into The Port Authority AIM Zone Fund p. 3-5	\$0	\$0	\$0 or (Unknown)
<u>Cost</u> - DOR ITSD Cost (§301.033) p. 9	(\$60,432)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§§301.192, 301.280, 407.526, 407.536 & 407.556) p. 11	(\$15,288)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.558) p. 11	(\$67,306)	(\$6,731)	(\$6,731)
<u>Cost</u> – DOR – OA-ITSD services (§302.755) p. 19	(\$26,881)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.3083) p. 15	(\$21,752)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.3179) p. 18	(\$8,311)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§302.174) p. 16	(\$33,756)	(\$3,376)	(\$3,376)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$233,726)</u>	<u>(\$10,107)</u>	<u>Could exceed (\$10,107)</u>
<u>FISCAL IMPACT – State Government (continued)</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024

STATE ROAD FUND			
<u>Cost - MoDOT - additional signs (88300.155 & 304.281) p. 7-8</u>	<u>(\$46,350)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>(\$46,350)</u>	<u>\$0</u>	<u>\$0</u>
PORT AUTHORITY AIM ZONE FUND			
<u>Transfer In – Section 68.075 – State Tax Withholding Diverted From GR Into The Port Authority AIM Zone Fund p.3 -5</u>	\$0	\$0	\$0 or Unknown
<u>Transfer Out – Section 68.075 – Disbursements Of Funds In Port Authority AIM Zone Fund To Port Authorities p.3 -5</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON PORT AUTHORITY AIM ZONE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FISCAL IMPACT – State Government (continued)	FY 2022 (10 Mo.)	FY 2023	FY 2024

MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND			
<u>Revenue</u> – DOR – 10% of administrative fee charged by dealers – ranged from \$100 to \$500 per administrative fee (§301.558) p. 12	Could exceed \$5,416,667 to <u>\$27,083,333</u>	Could exceed \$6,500,000 to <u>\$32,500,000</u>	Could exceed \$6,500,000 to <u>\$32,500,000</u>
ESTIMATED NET EFFECT ON THE MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND	Could exceed \$5,416,667 to <u>\$27,083,333</u>	Could exceed \$6,500,000 to <u>\$32,500,000</u>	Could exceed \$6,500,000 to <u>\$32,500,000</u>
MISSOURI PUBLIC HEALTH SERVICES FUND (0298)			
<u>Revenue</u> – DHSS - \$25 annual fee/contribution per specialty plate (§301.3083) p. 15	\$9,300	\$18,600	\$18,600
ESTIMATED NET EFFECT ON THE MISSOURI PUBLIC HEALTH SERVICES FUND			
	<u>\$9,300</u>	<u>\$18,600</u>	<u>\$18,600</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL PORT AUTHORITES			
Revenue Gain – Section 68.075 – Disbursements To Port Authorities From The Port Authority AIM Zone Fund p.3-5	\$0	\$0	\$0 or Unknown
ESTIMATED NET EFFECT ON LOCAL PORT AUTHORITIES	<u>\$0</u>	<u>\$0</u>	<u>\$0 or Unknown</u>
LOCAL POLITICAL SUBDIVISIONS			
Fine Revenue – School Districts - from the changes in the proposal (§§301.010 & 304.240) p. 6	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Revenue – potential increase in license fees and fine revenue relating to scrap metals p. 22	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Costs – cities and counties - additional signs (§§300.155 & 304.281) p.7-8	\$0 or (Unknown)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT – Small Business

Certain motor club small businesses could be impacted by this proposal.

Small businesses log truck companies would be impacted by this proposal.

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

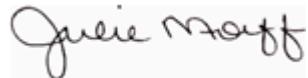
FISCAL DESCRIPTION

The proposed legislation would change provisions concerning transportation.

Section 302.755 of this legislation is federally mandated. This legislation would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance
Department of Public Safety
Missouri Highway Patrol
Missouri Department of Transportation
Office of the State Public Defender
Missouri Office of Prosecution Services
Office of the State Courts Administrator



Julie Morff
Director
April 29, 2021



Ross Strope
Assistant Director
April 29, 2021