

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0852S.01I
Bill No.: SB 434
Subject: Transportation; Crimes and Punishment; Judges; Drugs and Controlled
Substances; Alcohol; Department of Revenue
Type: Original
Date: February 25, 2025

Bill Summary: This proposal creates a DWI diversion program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	(Could exceed \$317,642)	(Could exceed \$216,021)	(Could exceed \$219,394)
Total Estimated Net Effect on General Revenue	(Could exceed \$317,642)	(Could exceed \$216,021)	(Could exceed \$219,394)

*DOR FTE and FUSION costs plus unknown costs for OSCA.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Highway Fund (0644)	(\$92,423)	(\$110,903)	(\$110,903)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$92,423)	(\$110,903)	(\$110,903)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 FTE

- ☒ 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 2026	FY 2027	FY 2028
Local Government	(\$30,807)	(\$36,967)	(\$36,967)

FISCAL ANALYSIS

ASSUMPTION

§557.520 – DWI Diversion Program

Administrative Impact

Officials from the **Department of Revenue (DOR)** state the provisions of §557.520 will require extensive programming of the current Missouri driver license system (internally referred to as FUSION) in order to enter court ordered diversion information received from the prosecuting or circuit attorney and notifying the program participant of their compliance requirements through system generated notices.

The proposed language requires DOR to be notified of violations from the ignition-interlock device (IID) for program participants. The department does not currently receive or maintain records of violations. Currently, DOR requires approved Missouri manufacturers to track and maintain this data and only certify a driver once they have successfully completed the required monitoring time-period. These legislative changes would require the department to track and interpret this data specifically related to this diversion program. There are currently six (6) approved manufacturers in Missouri. Multiple new electronic file exchanges to each manufacturer would need to be developed to exchange data daily between the department and each manufacturer. This would require an additional file reporting violations to be developed and electronically exchanged for each approved manufacturer. Multiple reports would need to be generated to ensure the integrity of the data and meet the current department auditing processes.

Any defendant who is found guilty of any intoxicated-related traffic offense and who has previously utilized the DWI diversion program, DOR will evaluate the conviction as a second offense. This would cause the point value related to the conviction to increase from eight (8) points to twelve (12) points and add an ignition-interlock device requirement for reinstatement. This also would require changes made to the five (5) and ten (10) year denial evaluation routine.

In FY 2024, DOR received 37,647 DWI reports making the potential for offenders enrolled into this diversion program extensive. If 50% of offenders were accepted into this new program, the department would receive approximately 18,824 court orders notifying enrollment. DOR would require a new team of personnel to receive these enrollments, track and process the compliance paperwork, manage the vendor relationships with IID changes, and develop/implement a continuous monitoring process for any device violations and court actions for program participants.

An associate customer service representative can process 224 court-ordered documents per day. The DOR anticipates receiving approximately 59 each day, which would require one additional staff member for processing.

The department estimates a need for at least one FTE to assist with the implementation and management of this new program. This position would require a more robust skill set including knowledge of court and administrative process, customer and vendor relationship management, and quality assurance tracking and reporting.

2 Customer Service Rep. Annual Salary = \$37,780 (annually)

In addition to a processing FTE, the department anticipates the need for an additional FTE for call center inquiries.

Customer Service Representative = \$42,432 (annually)

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates for 3 FTE as provided by DOR.

DOR notes, to implement the proposed legislation DOR will need to:

- Complete business requirements and design documents to modify the Missouri driver license system (FUSION);
- Complete programming and user acceptance testing for the new diversion program for driving privileges, IID violation reporting, tracking of the violations, dismissed charges of the program, criminal cases imposed and their penalties on the drivers;
- Testing with the ignition interlock manufacturers of the new file exchanges;
- FUSION generated notices;
- Conviction routine evaluation;
- Update policies, procedures, reports, forms, and the Department website;
- Update Code of Regulation;
- Training for employees.

FY 2026 – Driver License Bureau (testing of forms and website updates)

Research/Data Analyst 1300 hrs. @ \$30.19 per hr. = \$39,247

Research/Data Assistant 1300 hrs. @ \$20.25 per hr. = \$26,325

Administrative Manager 1000 hrs. @ \$32.77 per hr. = \$32,770

FY 2026 – Strategy and Communications Office (forms and website updates)

Associate Research/Data Analyst 336 hrs. @ \$24.19 per hr. = \$8,128

Total = **\$106,470**

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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

FUSION Impact

DOR notes:

Implementation Consultant 600 hrs. @ \$225 per hr. = **\$135,000**

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

Revenue Impact

DOR officials note previous fiscal note responses did not include the potential for a loss in reinstatement fees collected by the department. After further review, the department may see a loss in revenue generated due to not receiving first-time DWI convictions, resulting in an action that would require a reinstatement fee to be paid.

In FY 2022 DOR generated 3,222 point suspensions for non CDL first time alcohol convictions.

In FY 2023 DOR generated 3,299 point suspensions for no CDL first time alcohol convictions.

In FY 2024 DOR generated 3,286 point suspensions for no CDL first time alcohol convictions.

The reinstatement fee for a first-time alcohol conviction point suspension is \$45.00.

FY 2026

\$147,870	Reinstatement fees for 3,286 point suspension actions
/ 12	Number of months in a year
\$ 12,323	Decrease in reinstatement fees collected monthly
x 10	Number of months in first year after bill passage
\$123,230	Decrease in reinstatement fees collected in first year of bill passage

FY 2027 & FY 2028

\$147,870 Reinstatement fees for 3,286 point suspension actions

Estimated potential decrease in reinstatement fees collected annually = \$147,870

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

It is unknown how many people will be enrolled in this DWI Diversion program. For the purposes of the revenue impact estimate, 100% enrollment is being used to calculate the loss in highway funds.

	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Highway Fund	\$92,423	\$110,903	\$110,903
Cities	\$18,484	\$22,180	\$22,180
Counties	<u>\$12,323</u>	<u>\$14,787</u>	<u>\$14,787</u>
Total	\$123,230	\$147,870	\$147,870

Oversight does not have information to the contrary and therefore, Oversight will reflect the loss of revenue as provided by DOR.

Officials from the **Office of the State Courts Administrator (OSCA)** state SB 434 may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

Oversight notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 to (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Department of Public Safety (DPS) – Director's Office** and the **Missouri Highway Patrol**, the **Missouri Department of Transportation**, the **City of Kansas City**, the **Phelps County Sheriff**, the **Kansas City Police Department** and the **St. Louis County Police Department** 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, various county officials and local law enforcement agencies were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Costs – DOR (\$557.520) p. 3-5</u>			
Personal service	(\$98,360)	(\$120,392)	(\$122,800)
Fringe benefits	(\$78,903)	(\$95,629)	(\$96,594)
Equipment and expense	(\$5,379)	\$0	\$0
Total Costs - DOR	(\$182,642)	(\$216,021)	(\$219,394)
FTE Change - DOR	3 FTE	3 FTE	3 FTE
<u>Cost – DOR – FUSION impact</u>	(\$135,000)	\$0	\$0
<u>Costs – OSCA (\$557.520) – increase in costs related to the DWI diversion program p.5</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Could exceed \$317,642)</u>	<u>(Could exceed \$216,021)</u>	<u>(Could exceed \$219,394)</u>
Estimated Net FTE Change to the General Revenue Fund	3 FTE	3 FTE	3 FTE
HIGHWAY FUND (0644)			
<u>Revenue Reduction/Loss – DOR (\$557.520) – reduction in reinstatement fees collected p. 5-6</u>	(\$92,423)	(\$110,903)	(\$110,903)
ESTIMATED NET EFFECT ON THE HIGHWAY FUND (0644)	<u>(\$92,423)</u>	<u>(\$110,903)</u>	<u>(\$110,903)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Reduction/Loss – Cities (15%)</u> - (\$557.520) – reduction in reinstatement fees received p. 5-6	(\$18,484)	(\$22,180)	(\$22,180)
<u>Revenue Reduction/Loss – Counties (10%) - (\$557.520) – reduction in reinstatement fees received p. 5-6</u>	(\$12,323)	(\$14,787)	(\$14,787)
ESTIMATE NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(\$30,807)	(\$36,967)	(\$36,967)

FISCAL IMPACT – Small Business

Small businesses who install and/or service a certified ignition-interlock system could be impacted from this proposal.

FISCAL DESCRIPTION

This act creates a DWI diversion program which allows a judge presiding over a criminal case to divert the case to a DWI diversion program if the defendant meets the following criteria:

- The defendant has not previously been convicted of an intoxicated-related traffic offense;
- The defendant is not currently enrolled in and has not in the previous 10 years completed another diversion program;
- The defendant does not hold a commercial driver's license; and
- The offense did not occur while operating a commercial vehicle.

The court may continue the diverted case for a period of up to 2 years and order the defendant to comply with terms and conditions of the program as determined by the court. As part of the program requirements, the court shall require installation of an ignition interlock device for a period of not less than 1 year. The court shall notify the defendant that he or she is required to install an ignition interlock device as well as notify the defendant of any other requirements of the program. Any person required to install an ignition interlock device shall be subject to penalties as provided under the law.

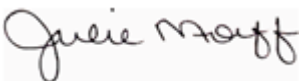
Additionally, the Department of Revenue shall inform the defendant of the requirements of the DWI diversion program and shall keep records of the installation of any ignition interlock devices. Any person participating in the program shall submit a verification of installation and pay a fee as provided in the act. Any certified ignition interlock device provider shall inform the Department of any tampering of the device as provided in the act.

Finally, after the completion of the DWI diversion program and if the defendant has complied with all the imposed terms and conditions, the court shall dismiss the criminal case against the defendant, record the dismissal, and transmit the record to the Missouri Uniform Law Enforcement System (MULES). If the defendant does not comply with the terms of the program, the court shall hold a hearing to determine whether the criminal proceedings should be reinstituted.

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

SOURCES OF INFORMATION

Department of Revenue
Department of Public Safety - Director's Office
Missouri Highway Patrol
Missouri Department of Transportation
City of Kansas City
Phelps County Sheriff
Kansas City Police Department
St. Louis County Police Department
Office of the State Courts Administrator



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February 25, 2025



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