

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2779-01
BILL NO.: Perfected SB 610
SUBJECT: Motor Cycle Helmets for Operators under 21
TYPE: Original
DATE: April 5, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(Unknown)	(Unknown)	(Unknown)
Highway Fund	(\$106,438)	(\$105,513)	(\$108,157)
Total Estimated Net Effect on <u>All</u> State Funds	(\$106,438) to (Unknown)	(\$105,513) to (Unknown)	(\$108,157) to (Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

To this, or a similar proposal, the **Office of the State Courts Administrator, Department of Public Safety - Missouri Capitol Police, Office of Administration - Head Injury Council, Department of Mental Health, Department of Insurance, Office of the State Public Defender** and the **Office of Prosecution Services** responded they assumed there would be no direct fiscal impact to their agency as a result of this proposal.

Officials from the **Department of Revenue (DOR)** assume this proposal will require the Drivers License Bureau (DLB) to maintain records of medical insurance policies and security bonds in the amount of \$100,000 on every person who operates or rides as a passenger on a motorcycle or motortricycle.

Currently, there are 271,000 individuals who have a motorcycle endorsement on their Missouri driver license. The DLB assumes that 15% of motorcycles are operated with passengers. Based on these statistics, the DLB estimates that this proposal will require 312,000 individuals to file a security bond or medical insurance policy in the amount of \$100,000.

312,000 security bonds filed /260 days per year = 1,200 insurance/security bonds filed per day.

The DLB will create a computer data base to electronically store the insurance/security bond information. The DLB currently keys insurance information from SR-22 insurance filings prior to reinstatement of a driver's license. The DLB assumes the insurance/security bond information filed under this proposal would place a similar burden on their staff.

Current Drivers License Bureau employees are capable of processing 325 SR-22 insurance filings per day. Based on this, the DLB will require 4 FTE to record and maintain information regarding the medical insurance and security bond information filed pursuant to this proposal. (1,200 insurance/security bond filed per day / 325 filings per FTE = 4 FTE). Most insurance policies and security bonds have to be renewed each year, therefore, DOR assumes that individuals would have to file this information with DOR every year.

The requirement to submit to a breathalyzer prior to operating or riding a motorcycle or motortricycle will not have an impact on the Drivers License Bureau.

The requirement for individuals to furnish proof of financial responsibility for motorcycles and motortricycle is already required prior to registering such vehicles. Therefore, the requirement in this proposal will not have an impact on the Motor Vehicle Bureau.

ASSUMPTION (continued)

Officials from the **Missouri Highway Patrol (MHP)** assume this proposal would not fiscally impact their agency. The proposal as written does not assign compliance responsibility to any particular agency and therefore MHP assumes no responsibility for enforcement. The proposal states that every person who rides a motorcycle shall be required to submit to a breathalyzer test prior to any ride. MHP stated it would be difficult to enforce the requirements of this proposal, and any costs associated with administering breathalyzer tests would be unknown.

Officials of the **Department of Health (DOH)**, Bureau of Special Health Care Needs, Adult Head Injury Program estimates that there will be an increase of approximately 79 persons who will suffer head injuries resulting from motorcyclists not wearing protective headgear. The Head and Spinal Cord Injury registry of the DOH projects that of the 79 persons, approximately seven will qualify for the Head Injury Program and seek rehabilitative services through the state. The Head Injury Program's average client cost for rehabilitative services in FY99 was \$3,978. If these seven individuals were added to the Head Injury Program, the additional program costs would be approximately \$27,846 per year.

Officials from the **Department of Social Services, Division of Medical Services (DOS-DMS)** assume this proposal could result in increased costs to the Medicaid Program. Based on the DOH's assumptions that an additional seven people would become uninsured head-injury cases and seek rehabilitative services through the state, DOS-DMS also assumes these same seven individuals would qualify for Medicaid as permanently and totally disabled (PTD) clients. The total costs to the Medicaid program could range from \$0 to \$466,186 annually.

Oversight assumes as a result of this proposal some people over 21 would choose not to wear protective headgear. Accordingly, there may be an increase in injuries or the severity of injuries to motorcyclists not wearing protective headgear which may **indirectly** result in increased costs to the state. Oversight assumes no direct fiscal impact to state or local governments as a result of not requiring adults to wear protective headgear.

Oversight assumes that the costs associated with administering breathalyzer tests is unknown, but could be substantial. The amendment does not specify where breathalyzer equipment would be located or who would be responsible for the operation, maintenance or compliance. Oversight assumes any costs would be paid out of the General Revenue Fund.

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 mo)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Costs - General Revenue</u>			
Expense and equipment	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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HIGHWAY FUND

<u>Costs - Department of Revenue</u>			
Personal Service (4 FTE)	(\$64,840)	(\$79,753)	(\$81,747)
Fringe Benefits	(\$19,938)	(\$24,524)	(\$25,137)
Expense and Equipment	(\$21,660)	(\$1,236)	(\$1,273)
Total Costs - DOR	(\$106,438)	(\$105,513)	(\$108,157)

ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$106,438)</u>	<u>(\$105,513)</u>	<u>(\$108,157)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 mo)	FY 2002	FY 2003
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	\$0	\$0	\$0
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires that motorcyclists under 21 years wear helmets. Currently, all motorcyclists are required to wear helmets. Every person who operates or rides as a passenger on a motorcycle without protective headgear shall file a security bond or medical insurance policy in the amount of \$100,000 with the Department of Revenue. Each person who rides a

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DESCRIPTION (continued)

motorcycle shall be required to submit to a breathalyzer test prior to any ride. All operators of motorcycles shall wear a properly adjusted and fastened safety belt.

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 Health
Department of Revenue
Department of Public Safety
Department of Mental Health
Office of the State Courts Administrator
Department of Insurance
Office of Prosecution Services
Office of the State Public Defender
Department of Social Services
Department of Transportation



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Director
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