

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4221-09
Bill No.: Truly Agreed To And Finally Passed SS for HS for HCS for HB 1285
Subject: Motor Vehicles; Insurance - Automobile; Consumer Protection; Transportation Dept.
Type: Original
Date: June 8, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Road	Unknown less than \$50,000	Unknown less than \$50,000	Unknown less than \$50,000
Highway	Unknown less than \$50,000	Unknown less than \$50,000	Unknown less than \$50,000
Total Estimated Net Effect on <u>All</u> State Funds	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning, Department of Economic Development, Department of Labor and Industrial Relations, Department of Revenue, and Department of Insurance** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General (AGO)** state any potential costs arising from this proposal can be absorbed with existing resources, however, the proposal limits the penalties for violations of this subchapter of chapter 407 to \$50 per violation with a \$10,000 annual cap (current law allows \$1,000 per violation). This could result in substantial forgone recoveries to the Merchandising Practices Revolving Fund.

Officials from the **Missouri Department of Transportation (DOT)** state Section 226.092 removes the requirement that the insured be state employees and the vehicles state-owned. This would result in DOT being more efficient and operations may be less costly. The DOT assumes the proposal would have an unknown positive impact of less than \$100,000 annually.

DESCRIPTION (continued)

(2) Revises the written notice that must appear on every car rental contract regarding the purchase of optional insurance coverage and how the consumer's own auto insurance policy or credit card might already offer that protection. However, this notice will be deemed provided if it is included in a master rental agreement given to the consumer prior to the proposal's effective date. In addition, notice will be deemed provided if it appears on the car rental company's web site;

(3) Requires car rental companies to provide notice to the consumer in the form of a sign or brochure at the rental office that informs the consumer about the availability of a collision damage waiver, any other optional car rental insurance, and a statement that the purchase of collision damage waiver is not required in order to rent a car;

(4) Clarifies that a violation for deceptive and unfair practice must be done knowingly and intentionally; and

(5) Limits the remedy for non-compliance to injunctive relief and monetary damages of \$50 for each violation, not to exceed \$100,000 in the aggregate in any calendar year.

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

Office of Attorney General
Office of Administration -
 Division of Budget and Planning
Department of Economic Development
Department of Labor and Industrial Relations
Department of Revenue
Missouri Department of Transportation
Department of Insurance



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