

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4074-04
Bill No.: HCS for SB 716
Subject: Motor Vehicles; Revenue Department; Licenses - Motor Vehicle; Licenses - Professional
Type: Original
Date: May 3, 2010

Bill Summary: This proposal enacts sections related to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$3,259)	(\$3,911)	(\$3,911)
Total Estimated Net Effect on General Revenue Fund	(\$3,259)	(\$3,911)	(\$3,911)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
State Highway Fund	\$27,281	\$32,737	\$32,737
State Road Fund	Unknown greater than \$775,000	Unknown greater than \$775,000	Unknown greater than \$775,000
Motor Vehicle Commission Fund	Unknown greater than \$975	Unknown greater than \$1,950	Unknown greater than \$1,950
Total Estimated Net Effect on Other State Funds	Unknown greater than \$803,256	Unknown greater than \$809,687	Unknown greater than \$809,687

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 24 pages

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$9,094 to (Unknown)	\$10,913 to (Unknown)	\$10,913 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Administrative Hearing Commission, Office of State Auditor, Department of Natural Resources, Department of Public Safety - Office of the Director** and the **Missouri State Highway Patrol, Department of Conservation, Office of the State Treasurer, Department of Insurance, Financial Institutions and Professional Registration** state this proposed legislation will have no fiscal impact on their respective agencies.

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. The SOS 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 the SOS for Administrative Rules is less than \$2,500.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Missouri Veterans Commission (VET)** state that currently there is a statewide mandatory statewide procedure (through the Office of Administration) in contracting for services for state projects. VET states there is no fiscal impact to their agency.

Officials from the **Office of Attorney General** assumes that costs of implementation could be absorbed with existing resources, but if multiple cases result, AGO could request additional appropriations.

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (FY 2009 average \$16.04 per inmate,

ASSUMPTION (continued)

per day or an annual cost of \$5,855 per inmate) or through supervision provided by the Board of Probation and Parole (FY 2009 average \$3.71 per offender, per day or an annual cost of \$1,354 per offender). Supervision by the DOC through probation or incarceration would result in some additional costs, but DOC officials assume that the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the Little Blue Valley Sewer District state this proposed legislation does not affect their district.

§67.314 - Political Subdivision Construction Bidding Standards Act

Officials from the **City of Kansas City** state this proposed legislation may have a negative fiscal impact on the City of Kansas City, Missouri, because this legislation would result in higher administrative costs and unknown financial consequences of delaying the opening of bids and subsequent commencement of a project. The provisions of the "Political Subdivision Construction Bidding Standards Act" could be very expensive for Kansas City.

Officials from the **Parkway School District** assume this proposal doesn't impose advertising requirements on their district since they are already regulated by §177.086. This proposal does not appear to have a fiscal impact on the Parkway School District.

Oversight assumes an unknown negative impact to local government funds.

ASSUMPTION (continued)

§226.195 - Missouri State Transit Assistance Program

Oversight assumes MoDOT is given the authority to create a state transit assistance program that can accept funds from the federal government. Should MoDOT pursue federal funding it is assumed all money received will be spent in accordance with the legislation. **Oversight** is showing no fiscal impact.

§226.540 and 226.541 Billboard Provisions

Officials at the **Missouri Department of Transportation (MoDOT)** assume that since the department has not relocated or reset billboards there is no statistical data that is readily available to estimate the cost to reset. Thus an assumption is made with input from an industry representative that it would cost approximately 25% of the billboards value to reset the billboard in actual cost.

While it is highly unlikely, but for the purposes of this fiscal note it is assumed that no condemnation action will be necessary to acquire billboards when using the traditional method of acquisition.

It is estimated that the average value of a billboard structure is \$150,000. Using the industry estimate of 25% of the value as an actual cost to reset. The average cost per billboard to reset would be \$37,500.

It must be noted that the traditional method of purchase allows for salvage of the structure. Salvage values vary by structure; however using the industry's estimates the average salvage values should amount to approximately 50% of the billboards value. Salvage values are typically negotiated and often result in a reduction in salvage value thus a salvage value for the purpose of this exercise will be applied at 25%. An assumption will be made that all billboards acquired using the traditional method will be salvaged by the billboard owner.

Using the above estimates and assumptions the calculations below will show what is estimated as the net fiscal impact to the department:

Calculations under this legislation

37 billboards x \$37,500 (actual reset cost) = \$1,287,500

versus

The traditional method of acquisition/salvage

37 billboards x \$150,000-\$37,500 (salvage value) = \$4,162,500

LMD:LR:OD

ASSUMPTION (continued)

Potential Net Savings to the Department = \$2,775,000

These calculations indicate that an estimated \$2,775,000 could be saved under this legislation during FY 2011-2014 of the department's current approved STIP.

For the purpose of this fiscal note, **Oversight** assumes that of the 37 billboards to be moved in the next four years that an average of 9 billboards a year will be moved. Therefore, MoDOT will have a savings of \$675,000 per year.

§230.220 - County Highway Commission Compensation

Oversight assumes this proposal changes the compensation for members of the county highway commission who are not also members of the county's governing body to an amount per meeting as established by the county's governing body and mileage allowance for those members will be the same amount per mile received by the members of the county's governing body. **Oversight** assumes this proposal will also eliminate any compensation to members of the commission who are also members of the county's governing body. Therefore, Oversight assumes this proposal is discretionary, adds no new expenditure of funds and would have no local fiscal impact.

§238.202, 238.208, 238.220, 238.225, 238.232, 238.236 - Public Mass Transportation

Oversight assumes this portion of the proposal is permissive in nature and will not create a fiscal impact.

§301.032 - Fleet Vehicles

Officials at the **Department of Revenue** assume this allows a fleet owner with at least 50 motor vehicles to get fleet plates bearing the company name or logo. This process has not been fully realized and therefore no statistical impact is being shown for the change. Any costs encumbered by this process will be absorbed with existing resources.

§301.069 - Driveaway License Plates

DOR assumes any costs encumbered by this process will be absorbed with existing resources.

ASSUMPTION (continued)

§301.130 - Property-Carrying Commercial Motor Vehicle Plates

DOR assumes:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- DOR's web site will need to be updated to include the update. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.

Total cost for FTE in FY 11: \$1,023

2nd plate option for commercial motor vehicles in excess of 12,000 lbs

Pursuant to the way this process was conducted previously it is assumed DOR will order the second plate at the time of application if requested by the customer.

- There are currently 273,469 registered commercial motor vehicles in excess of 12,000 lbs.
- The number of customers who would pay \$15 for the second plate is unknown. However, if it is assumed that 1%, or 2,735, of these registrants will want the second plate, DOR Department will incur an associated cost.
- The cost to DOR for the second plate is \$1.43 with an overall cost to General Revenue of \$3,259 in FY 11, \$3,911 in FY 12 and FY 13.

Oversight assumes DOR could absorb the minimal 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.

Based on the one license plate one tab concept DOR's core budget may be reduced due to the passage of this proposal.

Revenue increase from the \$15 for second plate

By allowing property carrying commercial motor vehicles the ability to obtain two license plates instead of one and by charging \$15 for that plate there will be an increase in revenue to the Highway Fund.

ASSUMPTION (continued)

- There are currently 273,469 registered commercial motor vehicle is excess of 12,000 lbs.
- The number of customers who would pay \$15 for the second plate is unknown. However, if it is assumed that 1%, or 2,734, of these registrants will want the second plate issued in FY 11 resulting in an increase in revenue of \$34,175 in FY 11 (figured for 10 months), and \$41,010 in FY 12 and 13 that is constitutionally distributed as follows:

	<u>FY 11 (10 months)</u>	<u>FY 12</u>	<u>FY 13</u>
75% Highway Fund	\$25,631	\$30,757	\$30,757
15% Cities	\$ 5,126	\$ 6,151	\$ 6,151
10% Counties	\$ 3,418	\$ 4,102	\$ 4,102

§301.196 - Salvage Title

Officials at DOR assume costs encumbered by this process will be absorbed with existing staff.

§301.218 - Scrap Processors

Officials at DOR assume this deletes "mobile scrap processor" to "scrap processor" for licensing purposes. DOR assumes this will increase these types of licenses by 30 applicants annually. A salvage business license costs \$65 with an increase to the Motor Vehicle Commission Fund of \$975 in FY 11 (6 months), \$1,950 in FY 12 and FY 13.

§301.560 - Trailer Dealers/Motor Vehicle Dealers and Land Lines

Officials from DOR assume the cost associated with this section will be absorbed with existing resources.

§301.561 - Public Motor Vehicle Auction

According to DOR:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- The dealer licensing manual will need to be updated by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- DOR's web site will need to be updated to include the update. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.

LMD:LR:OD

ASSUMPTION (continued)

Total cost for FTE in FY 11: \$1,828

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.

§301.580 - Special Event Motor Vehicle Auction License

According to DOR:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- Develop an application for special event motor vehicle auction license and a form to report all vehicles included in the auction. These forms will be in electronic format. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 11.
- The DOR web site will need to be updated to include the new information relating to this proposal. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.

Currently a Revenue Processing Tech I can process 6 dealer applications per hour and 50 dealer reports that the Department receives in paper form per hour. It is unknown how many of these special motor vehicle auction licenses will be applied for per year, therefore DOR may need to request through the appropriations process additional FTE or overtime to process the applications for a special motor vehicle auction license as well as process and key the reports submitted for all vehicles taken to the auction.

FY 11 total FTE cost- \$1,828

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.

ASSUMPTION (continued)

Revenue Impact

There will be an unknown increase to the Motor Vehicle Commission Fund due to the \$1,000 special event motor vehicle auction license fee.

There could also be an unknown increase to the Motor Vehicle Commission Fund from the \$500 administrative fee for every vehicle auctioned in violation of subsection 6 of the proposal.

This proposal includes nonresidents in the mandatory insurance suspension process. In FY09, there were 399 uninsured nonresidents reported. Using the same number to determine the number of additional mandatory insurance suspensions for the next fiscal year, assuming these were first offenses carrying a \$20 reinstatement fee, and assuming 33% of those would be reinstated ($399 \times 33\% = 132$), this will generate an additional \$2,640 in reinstatement fees collected ($132 \times \$20 = \$2,640$).

The above revenue increases generate from reinstatement fees to be disbursed as follows: 75% Highway Fund, 15% Cities and 10% Counties.

	FY11	FY12	FY13
Hwy (75%)	\$1,650	\$1,980	\$1,980
Cities (15%)	\$ 330	\$ 396	\$ 396
Counties (10%)	\$ 220	\$ 264	\$ 264

§303.025 and 303.080 - Non-Resident Financial Responsibility

According to DOR, this proposal includes nonresidents which will require DLB to impose a mandatory insurance suspension on uninsured nonresidents pursuant to Section 303.025, and to certify the suspension to the nonresident's licensing state.

Modifications to MODL programs and suspension notices will require DLB staff to complete the program design, internal testing and implementation phases. DLB estimates this will require a total of one month of overtime as follows:

- Admin. Analyst I - 168 hrs. per mo. @ \$24 (1 ½) per hr. = \$4,032
- Mgmt. Analyst Spec. II - 168 hours @ \$23 per hr. = \$3,864
- Revenue Band Mgr. I - 40 hours @ \$30 per hr. = \$1,200
- Total Overtime Expense = \$9,096

LMD:LR:OD

ASSUMPTION (continued)

Updating the DOR website, procedure manuals and the Missouri Driver Guide will be completed by:

- 2 - Management Analysis Specialist I (for forms and Internal Procedure development)
40 hours @ \$20.13 = \$805.20 x 2 = \$1,610.40
- 1 - Administrative Analyst III (for web page updates)
10 hours @ \$21.79 = \$217.80

This proposal increases the number of mandatory insurance suspension notices generated by 399, according to the FY09 number of uninsured nonresidents. Assuming 33% of those would be reinstated, an additional 132 reinstatement notices will generate. DLB will incur costs for printing of the additional 399 suspension notices and 132 reinstatement notices (531), as well as the envelopes and postage for these additional notices.

Expenses	Units	Unit Cost	FY11(10 mos.)	FY12	FY13
Postage	531	.44	\$195	\$234	\$234
Notices	531	.03	\$13	\$ 16	\$ 16
Envelopes	531	.04	\$18	\$ 21	\$ 21

Note: This does not account for 3% inflation per year.

If volumes of accident reports increase as a result of this legislation, additional FTE will need to be hired.

§303.025.2 - Requires nonresident vehicle owners to maintain financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence.

DLB staff will be required to research the laws of each state to determine the limits of liability and acceptable proof of financial responsibility of each state. This will be required on compliance documents received from nonresidents involved in a motor vehicle accident.

The new compliance procedures and training materials will be researched and prepared by the Revenue Section Supervisor during the implementation phase using 40 hours of overtime.

" Revenue Section Supervisor - 40 hours @ \$20 per hr. = \$800

ASSUMPTION (continued)

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.

Revenue Impact

§303.025 & 303.080 - Non-Resident Financial Responsibility

This proposal includes nonresidents in the mandatory insurance suspension process. In FY09, there were 399 uninsured nonresidents reported. Using the same number to determine the number of additional mandatory insurance suspensions for the next fiscal year, assuming these were first offenses carrying a \$20 reinstatement fee, and assuming 33% of those would be reinstated ($399 \times 33\% = 132$), this will generate an additional \$2,640 in reinstatement fees collected ($132 \times \$20 = \$2,640$).

The above revenue increases generated from reinstatement fees will be disbursed as follows:
75% Highway Fund, 15% Cities and 10% Counties.

	FY11	FY12	FY13
Hwy (75%)	\$1,650	\$1,980	\$1,980
Cities (15%)	\$ 330	\$ 396	\$ 396
Counties (10%)	\$ 220	\$ 264	\$ 264

Information Technology - OA-ITSD (DOR):

DOR's response to proposals similar to or identical to this one in previous sessions indicated DOR planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the department's driver license and motor vehicle legacy and tax systems, changes cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$44,944.

The value of the level of effort is calculated on 1696 FTE hours.

ASSUMPTIONS:

MV - 1048 hours

DL - 480 hours - Modify surrender routines

LMD:LR:OD

ASSUMPTION (continued)

Modify accident non-resident mandatory insurance routines
MITS - 168 hours - standard district language

Section 301.130 - The Title and Registration Internet Processing System (TRIPS) and the inventory system would need minor data changes to include this proposal. OA-ITSD would need to update TRIPS to allow for the issuance of a second plate to commercial motor vehicles in excess of 12,000 lbs as well as charge the \$15 for that second plate.

Section 306.196 -. DOR will have to capture and record additional information from Drive Away Plate applicants. This may be accomplished by adding additional required information in the note field of IMVDL until a replacement system is developed.

Section 301.580 - IT will need to configure the legacy dealer system to account for these special auction permits and incorporate those requirements into the new dealer system. DOR would have to issue and track the special auction license and the customer information as well as process payments and issue receipts. The Title and Registration Information Processing System (TRIPS) system will need to be revised. The legacy dealer system as well as the new dealer system would need to be configured to allow for the recording of the report to be submitted for every vehicle sold or not sold at the auction at the special event motor vehicle auction.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

§226.095 [Repealed]

Officials at MoDOT assume the proposal repeals this section, which authorizes a claimant to require MHTC to submit to mandatory binding arbitration in any tort liability claim without MHTC's consent. No other Missouri state agency is subject to such a provision and neither is any other state department of transportation in the country. Deleting mandatory binding arbitration against MHTC will give MHTC its day in court. It would also allow MHTC to obtain pre-hearing discovery of the claimant's case, and will provide MHTC with all other procedural and legal protections afforded trial litigants, including the right to appeal (which is not available in mandatory binding arbitration).

Repealing this provision will result in a cost savings to MoDOT, although the exact amount of cost savings is currently unknown. In 2000, MHTC's total tort costs captured amounted to approximately \$4 million. In 2009, MHTC's total tort costs captured amounted to approximately

ASSUMPTION (continued)

\$11.9 million, an increase of nearly \$8 million.

Oversight has shown the savings to the State Road Fund as unknown greater than \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Cost - Department of Revenue</u>			
Material costs for plates (301.130.3)	<u>(\$3,259)</u>	<u>(\$3,911)</u>	<u>(\$3,911)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$3,259)</u>	<u>(\$3,911)</u>	<u>(\$3,911)</u>
 HIGHWAY FUND			
<u>Income - Reinstatement fees (303.025)</u>	\$1,650	\$1,980	\$1,980
<u>Income - Increase in fees (303.130.3)</u>	<u>\$25,631</u>	<u>\$30,757</u>	<u>\$30,757</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$27,281</u>	<u>\$32,737</u>	<u>\$32,737</u>

FISCAL IMPACT - State Government (Continued)	FY 2011 (10 mo)	FY 2012	FY 2013
---	--------------------	---------	---------

STATE ROAD FUND

Savings - MoDOT

Removing binding arbitration (226.095 - Repeal)	Unknown greater than \$100,000	Unknown greater than \$100,000	Unknown greater than \$100,000
--	--------------------------------------	--------------------------------------	--------------------------------------

Savings - MoDot - Billboard salvage (226.540 & 220.541)	<u>\$675,000</u>	<u>\$675,000</u>	<u>\$675,000</u>
--	------------------	------------------	------------------

**ESTIMATED NET EFFECT ON
STATE ROAD FUND**

	<u>Unknown</u> <u>greater than</u> <u>\$775,000</u>	<u>Unknown</u> <u>greater than</u> <u>\$775,000</u>	<u>Unknown</u> <u>greater than</u> <u>\$775,000</u>
--	---	---	---

**MOTOR VEHICLE COMMISSION
FUND**

<u>Income</u> - Dept. of Revenue - Fees (301.580)	Unknown Less than \$100,000	Unknown Less than \$100,000	Unknown Less than \$100,000
--	--------------------------------	--------------------------------	--------------------------------

<u>Income</u> - Department of Revenue - Fees (sections 301.218 & 301.580)	<u>\$975</u>	<u>\$1,950</u>	<u>\$1,950</u>
--	--------------	----------------	----------------

EXPECTED NET EFFECT ON MOTOR VEHICLE COMMISSION FUND	<u>Unknown</u> <u>greater than</u> <u>\$975</u>	<u>Unknown</u> <u>greater than</u> <u>\$1,950</u>	<u>Unknown</u> <u>greater than</u> <u>\$1,950</u>
---	---	---	---

FISCAL IMPACT - Local Government	FY 2011 (10 Mo.)	FY 2012	FY 2013
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities - Reinstatement fees (303.025)	\$330	\$396	\$396
<u>Income</u> - Cities - Increase in fees (301.130.3)	\$5,126	\$6,151	\$6,151
<u>Income</u> - Counties - Reinstatement fees (303.025)	\$220	\$264	\$264
<u>Income</u> - Counties - Increase in fees (301.130.3)	\$3,418	\$4,102	\$4,102
<u>Cost</u> - Counties - Decrease in local government funds (67.314)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$9,094 to (Unknown)</u>	<u>\$10,913 to (Unknown)</u>	<u>\$10,913 to (Unknown)</u>

FISCAL IMPACT - Small Business

The impact to a small business that owns or leases billboards potentially could be that they might lose billboard inventory and/or revenue. Possibly if the billboard would have to be acquired and could not be reset. (§226.540 & 266.541)

A small business conducting a special event motor vehicle auction would incur the expense of obtaining the license required by this proposal (§301.580).

FISCAL DESCRIPTION

This proposal modifies various provisions relating to transportation.

§67.314 - POLITICAL SUBDIVISION CONSTRUCTION BIDDING STANDARDS ACT - This section establishes the Political Subdivision Construction Bidding Standards Act which creates standards for advertising, soliciting, accepting, and rejecting competitive bids and awarding construction contracts of \$10,000 or more for political subdivisions that are not covered by a specific federal, state, or local law that is equivalent or stricter in its requirements.

FISCALDESCRIPTION (continued)

§226.195 - MISSOURI STATE TRANSIT ASSISTANCE PROGRAM - This section establishes the Missouri State Transit Assistance Program to be administered by the Department of Transportation to provide financial assistance to defray the operating and capital costs incurred by public mass transportation providers. The distribution of any appropriated funds shall be determined by evaluating certain factors of each service provider including population, ridership, cost and efficiency of the program, availability of alternative transportation in the area, and local efforts and tax support.

§226.540 - BILLBOARDS - This proposal allows local authorities to adopt regulations regarding billboard size, lighting, and spacing provisions that are more restrictive than state law if they are reasonable, allow for customary industry usage, and comply with the intent of the act. Local regulations cannot have the intent or effect of prohibiting billboards on commercial or industrial property within 660 feet of certain highways. If a court rules that a local regulation is prohibitive, unreasonable, or fails to allow for customary industry usage, the statutory state requirements will apply until a valid ordinance is adopted by the local zoning authority.

§226.541 - BILLBOARDS - This section of the proposal imposes various billboard standards to billboards adjacent to Interstate 70 and Interstate 44 during periods of interstate construction. Under this proposal, on the date the commission approves funding for any phase or portion of construction or reconstruction of Interstate 70 or Interstate 44, the rules in effect for outdoor advertising on August 27, 1999, shall be reinstated for that section of highway scheduled for construction and there shall immediately be a moratorium imposed on the issuance of state sign permits for new sign structures. Owners of existing signs which meet the requirements for outdoor advertising in effect on August 27, 1999, and the requirements of the federal/state agreement and who voluntarily execute a partial waiver and reset agreement may reset such signs on the same or adjoining property. Such reset agreements shall be contingent upon obtaining any required local approval to reset the sign structure. Any sign which has been reset must still comply with the August 27, 1999, outdoor advertising regulations after it has been reset. Owners of existing signs who elect to reset qualifying signs shall receive compensation representing the actual cost to reset the existing sign. Signs which have been reset under the act must be reconstructed of the same type materials and may not exceed the square footage of the original sign structure. Sign owners may elect to reset existing qualifying signs by executing a partial waiver and reset agreement with the commission. Upon the completion of construction on any section of Interstate 70 or Interstate 44, the moratorium on new permits shall be lifted and the rules for outdoor advertising in effect on the date the construction is completed shall apply to such section of highway. Local zoning authorities may prohibit the resetting of qualifying signs which fail to comply with local regulations, but local authorities which choose to prohibit such resetting shall reimburse the commission the cost to condemn such signs less the cost to reset the sign under the act.

FISCAL DESCRIPTION (continued)

§230.220 - COUNTY HIGHWAY COMMISSION - Under current law, members of the county highway commission receive \$15 per day for the first meeting of the month and \$5 for each meeting thereafter during the month. The current law also provides such members a mileage allowance of 8 cents per mile. Under this proposal, members of the county highway commission who are not also members of the county's governing body shall receive an attendance fee in an amount per meeting as established by the county's governing body. The mileage allowance for those members is changed from 8 cents per mile to the same amount per mile received by the members of the county's governing body.

§238.236 - PUBLIC MASS TRANSPORTATION SYSTEMS AND TRANSPORTATION DEVELOPMENT DISTRICTS - This proposal amends the Missouri Transportation Development District Act to explicitly include public mass transportation systems as transportation development district projects. Under current law, owners of property adjacent to a TDD may petition the court to add their property to the district and such property shall be added if the property owners within the district unanimously approve of its addition. Under this act, unanimous approval is not needed to add adjacent property to a TDD formed by a local transportation authority for the purpose of operating a public mass transportation system. Instead, the court shall add the adjacent property listed in the petition upon approval and consent of the district's board of directors (Section 238.208). Under the act, the board of directors for a district formed by local transportation authorities to operate a public mass transportation system shall consist of not less than 3 nor more than 5 persons appointed by the chief executive officers of each local transportation authority. The directors appointed by the chief executive officers may be removed by such officers at any time with or without cause (Section 238.220). Under the act, the state highways and transportation commission is prohibited from appointing advisers to the boards of directors of transportation development districts formed to operate public mass transportation systems. Under the proposal, districts formed by local transportation authorities for the purpose of operating a public mass transportation system do not have to submit their project plans to the state Highways and Transportation Commission. The proposal provides that real property taxes for transportation development districts shall not be considered "payment in lieu of taxes" as that term is defined in the Real Property Tax Increment Allocation Redevelopment Act. In addition, the tax revenues derived from such property taxes are not subject to allocation under the Real Property Increment Allocation Redevelopment Act. The proposal provides that the sales tax for a district formed by a local transportation authority for the purpose of operating a public mass transportation system shall not be considered economic activity taxes as used in the TIF statutes and that the tax revenues are not subject to allocation by the TIF statutes. The act also creates a special fund known as the "Transportation Development District Sales Tax Trust Fund" to deposit the sales tax revenues generated by these types of transportation development districts.

FISCAL DESCRIPTION (continued)

§301.069 - DRIVEAWAY LICENSE PLATES - This section places additional restrictions on the use of driveaway license plates. Under this act, driveaway license plates shall only be used by owners, corporate officers, or employees of the business to which the plates were issued. Under the act, an applicant for a driveaway plate must provide certain information such as the business name, address, and driver license number. The applicant must provide proof of financial responsibility. In addition, the applicant must provide a picture of his or her place of business. The applicant must maintain a landline telephone at his or her place of business during the registration period. The proposal makes the use of a revoked driveaway license plate a misdemeanor.

§301.130 - PROPERTY-CARRYING COMMERCIAL MOTOR VEHICLE PLATES - Under this act, an applicant may receive two license plates for any property-carrying commercial motor vehicle, rather than the standard issuance of one plate, by paying an additional \$15 fee.

§301.196 - SALVAGE TITLE - This section removes the salvage title exclusion from the requirement of a seller to notify the Department of Revenue within 30 days of a sale. Thus, a seller of a motor vehicle with a salvage title must notify the department.

§301.280 - RETENTION OF CERTAIN MOTOR VEHICLE RECORDS BY DEALERS - Under this section, motor vehicle dealers and public garage operators must maintain a record of a vehicle's VIN number, odometer settings and other information for a period of 5 years (current law is 3 years). Under this proposal, any person who makes a false statement in a monthly sales report to DOR is guilty of a class A misdemeanor.

§301.290 - CORRECTIONAL ENTERPRISES AND PRODUCTION OF TABS - This section will allow correctional enterprises to continue making tabs for the Department of Revenue. Under current law this power is set to expire on January 1, 2011

§301.423 - FRAUDULENT DOCUMENTS

If the director of revenue or his or her designated representative reasonably believes that a certificate of ownership, a license plate, or a license plate tab was obtained fraudulently, any person in possession of said item shall surrender same to the director of revenue or his or her designated representative upon request. Any person failing to do so shall be deemed guilty of a class A misdemeanor

FISCAL DESCRIPTION (continued)

§301.561 - PUBLIC MOTOR VEHICLE AUCTION - This section allows a public motor vehicle auction to sell motor vehicles through an internet auction without the services of a licensed auctioneer. A public motor vehicle auction may auction motor vehicles that are not located at its licensed place of business through the Internet.

§301.570 - OPERATING AS A MOTOR VEHICLE DEALER WITHOUT A LICENSE - Under this act, a second or subsequent violation of operating as a motor vehicle dealer without a license is a class D felony.

§310.572 - ABANDONED DEALER BUSINESS - This act allows the Department of Revenue to revoke a dealer license when the director determines that the dealer's place of business is uninhabited or abandoned.

§301.580 - SPECIAL EVENT MOTOR VEHICLE AUCTION LICENSE - This section allows the Department of Revenue to issue a special event motor vehicle auction license to an applicant for the purpose of auctioning motor vehicles if 90% or more of the vehicles are at least 10 years old or older. Auctions can be held for no more than three consecutive days, but no more than two times in a calendar year by the same licensee.

A report must be sent to the director within 10 days of the conclusion of the special event motor vehicle auction on a department-approved form specifying the make, model, year, and vehicle identification number of every vehicle included in the auction. Anyone violating this provision will be guilty of a Class A misdemeanor and will be charged a \$500 administrative fee payable to the department for each vehicle auctioned in violation of this provision.

A special event motor vehicle auction will be considered a public motor vehicle auction for purposes of licensing and inspection of certain documents and odometer readings; however, the licensee will not be required to have a bona fide established place of business.

Applications to hold a special event motor vehicle auction must be received by the department at least 90 days prior to the event. Applicants must be registered to conduct business in this state, pay a licensing fee of \$1,000, and be bonded or have an irrevocable letter of credit in the amount of \$100,000. Applicants will be responsible for ensuring that a sales tax license or special event sales tax license is obtained if required.

FISCAL DESCRIPTION (continued)

§302.220 & §302.230 - FRAUDULENT USE OF DRIVER'S LICENSES, PLATES, TITLES ETC.

Under this section, if the Director of Revenue reasonably believes a person has obtained a title, license plate, or license plate tab in a fraudulent manner, the person must surrender such items. failure to do so constitutes a Class A misdemeanor. Under this proposal, it is unlawful for any person to display, or to have in his or her possession, any nondriver identification card knowing that the card is fictitious or to have been canceled, suspended, revoked, disqualified or altered. Similarly, the act makes it unlawful for a person to lend or knowingly permit the use of nondriver identification card that is fictitious. The current law only applies to the fraudulent display, possession or use of a license. This proposal ties the statute of limitations for a prosecution for making a false statement on a driver's license application to the discovery of the statement's falsity, rather than the time when the statement was made . A prosecution for a person who makes a false statement on a driver's license application may commence one year after the director first discovers the falsity of the statement or affidavit, however no prosecution shall commence more than 6 years after the statement or affidavit was made.

§303.025 & 303.080 - NONRESIDENT FINANCIAL RESPONSIBILITY - Under these sections, a nonresident shall not operate a motor vehicle in Missouri unless the nonresident maintains financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence. A nonresident who fails to maintain financial responsibility is guilty of a Class C misdemeanor.

§304.161 - TOWING AND STORAGE CHARGES - Under this section, towing and storage charges must be not be excessive. Complaints regarding allegations of excessive storage charges shall be reported to the attorney general for investigation, review, and determination. A determination that storage charges are excessive shall constitute an unlawful trade practice as provided in §407.020.

§304.705 - LEFT LANE TRUCK PENALTY - This section increases the penalty for left lane truck violations in St. Charles County from an infraction to a class C misdemeanor. If the left lane violation causes the immediate threat of an accident, the penalty is increased from a Class C misdemeanor to a class B misdemeanor.

§306.127 - BOATING IDENTIFICATION CARDS - Currently, persons born after January 1, 1984 or who have committed certain boating offenses, must have a boating safety identification card issued by the Water Patrol in order to operate a boat on a lake in Missouri. This act would allow such individuals to have, as an alternative to the identification card, a Missouri driver's or non-driver's license with an endorsement showing that he or she has met the safety requirements

FISCAL DESCRIPTION (continued)

of this provision. This section also removes the requirement that Water Patrol inform other states of these provisions.

BINDING ARBITRATION - This section repeals §226.095 which currently requires MoDOT to submit to binding arbitration in negligence cases.

REPEAL OF LICENSE PLATE ADVISORY COMMITTEE - This section repeals §301.129 which established an advisory committee to develop license plates..

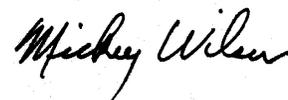
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
 Administrative Hearing Commission
 Information Technology Services Sivision
Department of Conservation
Department of Corrections
Department of Insurance, Financial Institutions and Professional Registration
Department of Natural Resources
Office of State Treasurer
Officed of Attorney General
Department of Revenue
Missouri Department of Transportation
Department of Public Safety
 Missouri Highway Patrol
 Missouri Veterans Commission
Office of the Secretary of State
 Administrative Rules Division
Office of the State Auditor
Office of the State Courts Administrator
Cities
 Kansas City
Schools
 Parkway

NOT RESPONSDING

Office of Prosecution Services
Office of State Public Defender
Various School Districts, Colleges and Universities



Mickey Wilson, CPA

L.R. No. 4074-04
Bill No. HCS for SB 716
Page 24 of 24
May 3, 2010

Director
May 3, 2010

LMD:LR:OD