

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4466-05  
Bill No.: Perfected SS for SCS for SB 781  
Subject: Motor Vehicles; Revenue Department; Licenses - Motor Vehicle; Licenses - Professional  
Type: Original  
Date: March 3, 2010

Bill Summary: This proposal modifies various provisions relating to the regulation of motor vehicles.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$345,505)	(339,338)	(\$349,519)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$345,505)</b>	<b>(339,338)</b>	<b>(\$349,519)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Motor Vehicle Commission Fund	\$1,950 to Less than \$100,000	\$1,950 to Less than \$100,000	\$1,950 to Less than \$100,000
Highway Fund	\$10,701,054	\$13,149,698	\$13,149,609
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$10,703,004 to Less than \$10,803,004</b>	<b>\$13,151,648 to Less than \$13,251,648</b>	<b>\$13,151,648 to Less than \$13,251,648</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 17 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
General Revenue	8 FTE	8 FTE	8 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>8 FTE</b>	<b>8 FTE</b>	<b>8 FTE</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>\$85,460</b>	<b>\$102,551</b>	<b>\$102,551</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from **Department of Insurance, Financial Institutions and Professional Registration, Department of Transportation, Department of Public Safety - Office of the Director and Missouri State Highway Patrol, and Department of Natural Resources** indicated there would be 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.

Officials from the **Office of Prosecution Services (OPS)** assume this proposed legislation will have no measurable impact on OPS or county prosecutors.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate that this proposed legislation will not significantly alter its caseload. However, if other similar bills are passed or if there are more cases, or more complex cases, there could be a fiscal impact.

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.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crimes relating to the licensing of vehicles in the State of Missouri.

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the State Public Defender System to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and

ASSUMPTION (continued)

effective representation is all its cases.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

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, 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.

§301.169 - Drive Away Plates

This section provides that DOR is not to issue drive away plates unless the applicant makes application for the plate that requires specific information. DOR will have to capture and record additional information from Drive Away Plate applicants. Programming will be completed with existing staff. This may be accomplished by adding additional required information in the note field of IMVDL until a replacement system is developed.

§301.218 - Scrap processors

DOR assumes this section of the proposal will increase these types of licenses by 30 applicants annually. A salvage business licenses costs \$65, resulting in an increase to the Motor Vehicle Commission Fund of \$1,950 in FY 11.

§301.580 - Special event motor vehicle auctions

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. In addition, DOR will need to develop an application for the 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 which 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.

**Oversight** assumes the administrative costs associated with a limited number of licenses issued would be minimal and would not create a significant impact on the DOR resources and budget. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriations process.

**OA-ITSD (DOR)** 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; therefore, 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.

Programming will be completed with existing staff.

DOR assumes there will be an unknown increase to the Motor Vehicle Commission Fund due to the \$1,000 special event motor vehicle auction license fee. DOR assumes 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 §301.580.6 of the proposal.

**Oversight** assumes the income resulting from license fees is minimal and income from violations is speculative. For fiscal note purposes only, **Oversight** will show income to be less than \$100,000 for the Motor Vehicle Commission Fund for this section.

§304.820 - Test messaging while operating motor vehicles

Officials DOR assume this section now requires the DOR to assess points pursuant to Section 302.302 to a driver's record for a conviction violation of text messaging while driving offense created under these provisions regardless of age of the offender. This legislation removes the 21 and under age limitation which will result in an unknown increase in the number of convictions for driving while texting.

The proposal would administratively impact the DOR's Driver License Bureau. DOR states there are no statistics available to determine how many additional convictions the DOR may be required to process; however, one FTE can process 320 convictions per day. The DOR assumes that a minimum of 1 FTE will be needed to process the additional convictions resulting from this violation. If the volume of convictions received for processing exceeds 320 per day, then additional FTE will be required and will be requested through the appropriation process.

There are no statistics available to determine the volume of phone calls that may be received; however, currently a Telephone Information Operator is required to handle 100 calls per day. The DOR assumes that a minimum of 1 FTE will be needed to answer the additional phone calls. If the calls received for texting while driving exceeds 100 calls per day, then additional FTE will be required and will be requested through the appropriation process.

The DOR is unable to determine how many convictions will be received for texting while driving and, therefore, is unable to determine the forms and postage costs for issuing the suspension/revocation notices.

DOR assumes the following costs: 1 FTE Revenue Processing Tech (at \$25,380 per year) to process additional convictions for texting while driving and 1 FTE Telephone Information Operator (at \$25,380 per year) to answer telephone calls related to texting while driving. Postage and forms costs are unknown. DOR estimates the total cost to be approximately \$78,000 in FY 11, \$83,000 in FY 12, and \$85,000 in FY 13.

DOR assumes the proposal would also have a revenue impact of an unknown amount in the form of Reinstatement Fees Collected. Fees collected will be distributed, 75% highway fund, 15% cities, and 10% counties.

**Oversight** received information from the Missouri State Highway Patrol (MHP) that, as of January 12, 2010, the MHP had written 14 tickets for drivers twenty-one years of age or younger text messaging while driving since the statute went into effect on August 28, 2009.

**Oversight** received information that, as of January 14, 2010, the Department of Revenue (DOR) processed eight convictions for drivers twenty-one years of age or younger text messaging while driving since the statute went into effect on August 28, 2009.

**Oversight** assumes, based on the information received from the Missouri State Highway Patrol and the Department of Revenue (DOR), that the number of convictions resulting from prohibiting all drivers, regardless of age, from text messaging while operating motor vehicles would not be excessive. Oversight assumes DOR could absorb any increase in work load resulting from the proposal within existing resources. If the DOR experiences an increase that would require additional funding, the DOR could request the funding through the appropriation process.

**Oversight** assumes any revenue impact would be minimal, and reflects no change to Total State Revenue as a result of the proposal.

*Amendment 3 - §302.341 - Definition of "traffic violations"*

Officials from DOR state this section, as written, would require DOR to suspend licenses for non-moving traffic offenses for failure to appear to pay for a traffic ticket. This will require a total of eight additional FTE to process the failure to appear suspensions, compliance, faxes, and phone calls.

*Amendment 4 - §142.820 - Administrative fee for collecting federal excise tax on fuel*

According to officials from the **Department of Transportation (MoDOT)**, this amendment states that the Department of Revenue (DOR) shall not collect federal motor fuel tax unless the

federal government pays them a 2% collection fee. The Internal Revenue Services collects the federal fuel tax on gasoline or diesel, not DOR. MoDOT also does not receive back dollar for dollar the amount sent to the federal government. The reimbursement rate is based on a formula that is outlined in the current authorization bill that is passed by congress. The state gas and diesel tax is 17 cents per gallon, the federal gas tax is 18.4 cents per gallon and the federal tax on diesel fuel is 24.4 cents per gallon.

Since the amendment states that DOR could keep 2% of a collection fee for collecting the fee, but they don't collect the fee. Since DOR doesn't collect the fee they would not be able to claim the cost of collection. MoDOT assumes there would be no impact to MoDOT.

Officials from the **Department of Revenue (DOR)** state DOR has authority to collect MO fuel tax only. It is 17 cents a gallon. In calendar year 2009, DOR collected fuel tax on approximately 3.1 billion gallons of gas and 1.1 billion gallons of diesel fuel.

**Oversight** assumes that since no state agency collects and remits for the federal excise tax on taxable fuel tax, there will be no fiscal impact.

*Amendment 5 - §303.025 - Requires nonresidents to maintain financial responsibility*

Officials at the **Department of Revenue (DOR)** provide the following assumptions regarding the proposed legislation:

**Administrative Impact:**

**Driver License Bureau (DLB):**

**Section 303.025.1** includes nonresidents, which will require the DLB to impose a mandatory insurance suspension on any uninsured nonresident involved in a motor vehicle accident reported to the DLB. Modifications to the Missouri Drivers License (MODL) programs and suspension notices will require the DLB staff to complete the program design, internal testing and implementation phases. The DLB estimates this will require a total of one month of overtime estimated to cost \$9,096. The Department's website, procedure manuals and the Missouri Driver Guide will be updated using existing resources.

The proposal increases the number of mandatory insurance suspension notices generated by 399, according to the FY 09 number of uninsured nonresidents. Assuming 33% of those would be reinstated, an additional 132 reinstatement notices will be generated. The DLB will incur costs for printing the suspension notices and reinstatement notices, as well as the expenses for envelopes and postage. Costs are estimated to be \$226 for FY 11; \$279 for FY 12; and \$288 for

FY 12. If the volume of accident reports increase as a result of this proposal, additional FTE will need to be requested through the appropriations process.

**Section 303.025.2(1)** 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. The new compliance procedures and training materials will be researched and prepared by the Revenue Section Supervisor during the implementation phase and is estimated to cost \$800.

**Section 303.025.3(4)** and **303.040.3** duplicates current efforts.

Total costs for the DLB section are estimated to be \$10,122 for FY 11; \$279 for FY 12; and \$288 for FY 13.

**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.

#### **Office of Administration Information Technology Division (DOR/OAIT):**

The DOR's response to a similar proposal in a previous session indicated the department 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 system, changes cannot be made without significant impact to the DOR's resources and budget. Therefore, the information technology portion of the fiscal impact is estimated to cost \$4,240.

**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.

#### **Revenue Impact:**

The proposal includes nonresidents in the mandatory insurance suspension process. In FY 09, there were 399 uninsured nonresidents reported. The DOR assumed 399 uninsured nonresidents to determine the number of additional mandatory insurance suspensions for the next fiscal year, that these were first offenses carrying a \$20 reinstatement fee, and 33% would be reinstated (132). These assumptions result in the generation of an additional \$2,640 in reinstatement fees

collected (132 X \$20). Revenue will be distributed 75% to Highways, 15% to Cities, and 10% to Counties.

Amendment 6 - §301.130 - License Plates

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

Beginning August 28, 2010 this proposal requires the Department of Revenue to issue one license plate and tab when an individual registers a motor vehicle with the option of keeping the second plate for a \$15 fee. This fiscal note is prepared with the assumption that 10% of applicants will get the second plate and pay the \$15 fee. Personalized plates are exempt and will be issued two plates.

**License Plate/Tab Revenue Loss**

*Embossed Plates*

- The Department currently has 1,983,646 embossed plates in stock at contract offices across the state and in storage.
- The Department has paid \$1.43 per plate for these plates at a cost of \$2,836,614.
- Due to this proposal it is assumed DOR would need to eliminate 892,641 of these plates at a loss of \$1,276,477 that the Department has already paid and will not recoup.
- The Department will not recoup this money due to the registration fees that are collected upon issuance of the plates being distributed to the Highway Fund.

*Flat Specialty Plates (specialty plates that are not personalized)*

- The Department currently has 44,304 flat specialty plates in stock at contract offices across the state and in storage.
- The Department has paid \$4.25 per plate for these plates at a cost of \$188,292.
- Due to this proposal the Department would need to eliminate 19,937 of these plates at a loss of \$84,732 that the Department has already paid and will not recoup.
- The Department will not recoup this money due to the registration fees that are collected upon issuance of the plates being distributed to the Highway Fund.

### *Tabs*

- The Department currently has 1,836,730 tabs in stock at contract offices across the state and in storage.
- The Department has paid \$.085 per tab at a cost of \$156,122.
- Due to this proposal the Department would need to eliminate 918,365 of these tabs at a loss of \$78,061 that the Department has already paid and will not recoup.
- The Department will not recoup this money due to the registration fees that are collected upon issuance of the plates being distributed to the Highway Fund.

**Total License Plate/Tab Revenue Loss: \$1,439,270**

**Oversight** assumes the costs incurred with the production of plates/tabs have already been incurred with no expectation of reimbursement. For fiscal note purposes only, **Oversight** will show no loss for existing plates/tabs in stock.

Note: Missouri Vocational Enterprises indicated there will be no additional costs for the destruction of those extra plates.

### **License Plate Cost Reduction:**

#### *Stock Plates (Embossed Plates)*

- Currently the Department pays \$1.43 per stock license plates (reflected in the calculations for savings as current price).
- Missouri Vocational Enterprises estimates that costs for a single license plate will be \$1.91 upon passage of this legislation.
- The Department currently issues one plate for commercial motor vehicles licensed in excess of 12,000 lbs, cycles, and trailers. An average of 317,479 of these single plates are issued annually. The costs for these plates will increase to the new rate (\$1.91 per plate) due to the change from two plates to one plate for all motor vehicles.
- The Department issues 2,327,278 plates at a cost of \$3,328,008 annually. This legislation will result in a reduction of 904,409 plates issued to a total of 1,322,869 plates issued annually.

- The cost reduction is as follows:

Now- \$1.43 per plate x 2,327,278 total plates= \$3,328,008  
New- \$1.91 per plate x 1,322,869 total plates= \$2,526,780  
DOR projected total cost reduction                      \$ 801,228

*Specialty Stock Plates (specialty plates that are not personalized)*

- Currently the Department pays \$4.75 per flat plate. Even though the volume of flat plates ordered pursuant to this proposal will decrease, Missouri Vocational Enterprises has indicated that there will be no further increase to the specialty stock plate cost due to this proposal.
- The Department issues an average of 6,256 specialty stock flat plates annually (flat plates that are currently issued as singles are not being shown as there are no cost changes involved).
- Assuming one plate for new specialty stock plate registrations would reduce the total amount of flat plates currently ordered. In FY 09 there were 6,256 specialty stock flat plates ordered at a cost of \$29,716. This proposal would reduce that number to 2,816 specialty stock flat plates annually.
- The cost reduction is as follows:

Now- \$4.75 per plate x 6,256 total flat plates= \$29,716  
New- \$4.75 per plate x 2,816 total flat plates= \$13,376  
DOR projected total cost reduction                      \$16,340

*Tabs*

- Currently the Department pays \$.085 per tab. Even though the volume tabs ordered pursuant to this proposal will decrease, Missouri Vocational Enterprises has indicated that there will be no further increase to the tab cost due to this proposal.
- The Department orders on average 6,364,444 total tabs that make up sets plus 700,099 single year tabs for commercial motor vehicles licensed in excess of 12,000 lbs, cycles, and trailers which are currently issued only one plate. This makes a total of 7,064,543 physical tabs that were ordered.

- This legislation will result in a reduction of 3,182,222 tabs ordered to a total of 3,882,321 tabs issued annually.
  - The cost reduction is as follows:
    -
- Now- \$.085 per tab x 7,064,543 total tabs= \$600,486  
New- \$.085 per tab x 3,882,321 total tabs= \$329,997  
DOR projected total cost reduction                 \$270,489

**Revenue Increase form \$15 fee for second plate**

*Stock Plates (Embossed Plates)*

- The Department issued 5,706,695 new and renewal registrations in FY 09.
- It is assumed that 10% of those new applicants getting the second plate option and 10% of renewal applicants getting the second plate issued in FY 11 (20% total)

$$5,706,695 \times 20\% = 1,141,339 \times \$15 = \$17,120,085$$

- This results in an increase in revenue of \$14,266,738 in FY 11 (figured for 10 months), and \$17,120,085 in FY 12 and 13 that is constitutionally distributed as follows:

	FY 11	FY 12	FY 13
75% Highway Fund	\$10,700,054		\$12,840,064    \$12,840,064
15% Cities	\$ 2,140,011		\$ 2,568,013    \$ 2,568,013
10% Counties	\$ 1,426,673		\$ 1,712,008    \$ 1,712,008

According to officials from the **Department of Public Safety - Missouri State Highway Patrol (MHP)**, any change which could reduce an officer's ability to detect a violation by 50% would have a negative impact on personal property tax collection, mandatory insurance compliance, as well as the collection of license fees. License plate numbers are often critical in identifying suspects in all types of criminal investigations. A proposed change from two plates to one would also reduce the ability of witnesses, as well as law enforcement, to get a suspect's license number by 50%.

This proposed legislation would appear to have a negative impact to counties, in addition to the Highway Fund, because license fee collections would be reduced due to the loss of enforcement capabilities as less tickets would be written for expired plates. In addition, with less incentive to renew plates, the revenue generated from renewals would be decreased. Because the MHP has

no way to estimate the full impact of this legislation, it assumes an unknown impact.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>GENERAL REVENUE</b>			
Cost - Department of Revenue - License Suspension processing costs (§302.341)			
Personal Services (8 FTE)	(\$174,276)	(\$215,405)	(\$221,867)
Fringe Benefits	(\$91,390)	(\$112,958)	(\$116,347)
Equipment and Expense	<u>(\$79,839)</u>	<u>(\$10,975)</u>	<u>(\$11,305)</u>
Total Cost - DOR	<u>(\$345,505)</u>	<u>(\$339,338)</u>	<u>(\$349,519)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$345,505)</u></b>	<b><u>(\$339,338)</u></b>	<b><u>(\$349,519)</u></b>
<b>HIGHWAY FUND</b>			
<u>Income</u> - Reinstatement fees (§303.025)	\$1,650	\$1,980	\$1,980
<u>Income</u> - Increase in fees (§301.130)	\$10,700,054	<u>\$12,840,064</u>	<u>\$12,840,064</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>\$10,701,704</u></b>	<b><u>\$13,149,698</u></b>	<b><u>\$13,149,698</u></b>
<b>MOTOR VEHICLE COMMISSION FUND</b>			
<u>Income</u> - Department of Revenue - Fees (§301.218 & §301.580)	\$1,950 to Less <u>than \$100,000</u>	\$1,950 to Less <u>than \$100,000</u>	\$1,950 to Less <u>than \$100,000</u>
<b>ESTIMATED NET EFFECT ON MOTOR VEHICLE COMMISSION FUND</b>	<b><u>\$1,950 to Less than \$100,000</u></b>	<b><u>\$1,950 to Less than \$100,000</u></b>	<b><u>\$1,950 to Less than \$100,000</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - Cities - Reinstatement fees (§303.025)	\$330	\$396	\$396
<u>Income</u> - Cities - Increase in fees (§301.130)	\$2,191,287	\$2,629,544	\$2,629,544
<u>Income</u> - Counties - Reinstatement fees (§303.025)	\$220	\$264	\$264
<u>Income</u> - Counties - Increase in fees (§301.130)	<u>\$1,460,858</u>	<u>\$1,753,028</u>	<u>\$1,753,028</u>
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<b><u>\$3,652,695</u></b>	<b><u>\$4,383,232</u></b>	<b><u>\$4,383,232</u></b>

FISCAL IMPACT - Small Business

Small businesses with property-carrying vehicles would incur a cost if they elect to get the second license plate for their vehicles. A small business conducting a special event motor vehicle auction or operating as a scrap processor would incur the expense of obtaining the license required by this proposal.

FISCAL DESCRIPTION

§301.130 - Two license plates for property-carrying commercial vehicles

An applicant may receive two license plates for any property-carrying commercial vehicle, rather than the standard issuance of one plate, by paying an additional \$15 fee.

§301.218 - Scrap processors

This section of the proposal changes the definition of “mobile scrap processor” to scrap processor” for licensing purposes.

§301.580 - Special event motor vehicle auctions

This proposed legislation allows the Department of Revenue (DOR) 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 of the Department of Revenue within 10 days of the conclusion of the 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 per vehicle in violation of this provision payable to DOR. Applications to hold a special event motor vehicle auction must be received by DOR 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.

Amendment 3 - §302.341 - Definition of "traffic violations"

For purposes of this section, the term "traffic violations" shall include moving and nonmoving violations and any moving violations, as that term is defined in section 302.010, that are subsequently pled or amended to nonmoving traffic violations

Amendment 4 - §142.820 - Administrative fee for collecting federal excise tax on fuel

The Department of Revenue or any other agency of this state shall not collect any excise tax imposed by the federal government on taxable fuel as defined in 26 U.S.C. Section 4083, as amended, or assist in its collection in any manner, unless the federal government pays the collecting agency a collection fee equal to two percent of the particular tax collected on the federal government's behalf

Amendment 5 - §303.025 - Requires nonresidents to maintain financial responsibility

Under this proposal, 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. The Director of Revenue shall suspend the nonresident's driving privileges in this state and notify the official in charge of the issuance of licenses and registration certificates in the state in which such nonresident resides. Under the proposal, if a party involved in an accident in Missouri is a nonresident uninsured motorist, then the nonresident uninsured motorist and any law enforcement agency responding to the accident must

report the accident to the Director of Revenue.

Sections 301.010, 301.032, 301.069, 301.196, 301.200, 301.218, 301.280, 301.560, 301.562, 301.567, and 301.570 shall become effective January 1, 2011.

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  
Office of Administration  
    Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Natural Resources  
Department of Corrections  
Department of Transportation  
Department of Public Safety  
    Office of the Director  
    Missouri State Highway Patrol  
Office of Prosecution Services  
Office of State Public Defender  
Office of Secretary of State  
    Administrative Rules Division



Mickey Wilson, CPA  
Director  
March 3, 2010