

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: # Revised
Date: March 22, 2010
 # Revised to reflect revised Department of Revenue response.

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

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------------|------------------|------------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| #General Revenue | \$557,950 | \$744,808 | \$734,627 |
| | | | |
| # Total Estimated Net Effect on General Revenue Fund | \$557,950 | \$744,808 | \$734,637 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|---|---|---|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| Motor Vehicle Commission Fund | \$975 to Less than \$100,000 | \$1,950 to Less than \$100,000 | \$1,950 to Less than \$100,000 |
| # Highway Fund | \$562,284 | \$674,741 | \$674,741 |
| # Total Estimated Net Effect on Other State Funds | \$563,259 to Less than \$663,259 | \$676,691 to Less than \$776,691 | \$676,691 to Less than \$776,691 |

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 19 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 |
| General Revenue | 8 FTE | 8 FTE | 8 FTE |
| | | | |
| Total Estimated Net Effect on FTE | 8 FTE | 8 FTE | 8 FTE |

- 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 | \$187,428 | \$267,715 | \$267,715 |

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 the **Department of Revenue (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.

ASSUMPTION (continued)

§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 \$975 in FY 11 (6 months) and \$1,950 in FY 12 and FY 13.

§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.

FY 11 total administrative cost: **\$1,828**

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.

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ASSUMPTION (continued)

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 - Text messaging while operating motor vehicles

Officials from DOR assume this section now requires the DOR to assess points pursuant to §302.302 to a driver's record for a conviction for a violation of text messaging while driving offense. Violations of this proposed statute would be deemed an infraction and deemed a moving violation for purposes of points assessment. This proposed legislation removes the 21 and under age limitation which will result in an unknown increase in the number of convictions for driving while texting.

DOR will need to update procedures/policies, the DOR website, dealer manuals, and forms.

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

ASSUMPTION (continued)

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

According to officials at DOR, this section requires nonresidents to maintain financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence. This provision will require the Driver's License Bureau (DLB) to impose a mandatory insurance suspension on any uninsured nonresident involved in a motor vehicle accident reported to the DLB.

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.

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 during regular business hours.

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

ASSUMPTION (continued)

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; \$271 for FY 12 and FY 13. If the volume of accident reports increase as a result of this proposal, additional FTE will need to be requested through the appropriations process.

DOR assumed this section would 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.

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.

Amendment 6 - §301.130 - License Plates

Beginning August 28, 2010 this proposal requires DOR 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 an unknown assumption; however the fiscal note reflects costs/revenues of 1% get the second plate and pay the \$15 fee. Personalized plates are exempt and will be issued two plates.

Cost reductions for the reissuance period were shown in response to a similar proposal from last year for both stock plates and tabs. However, the reissuance period for stock Missouri license plates ends June 30, 2010; therefore, no impact is shown for reissuance of stock plates.

Missouri Vocational Enterprises indicated that the cost of plates and tabs is influenced by the cost of raw materials, thus if the cost of raw materials goes up, then the cost of plates and tabs will increase.

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.

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)

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.

License Plate/Tab Revenue Loss

Embossed Plates

- DOR currently has 1,983,646 embossed plates in stock at contract offices across the state and in storage.
- DOR 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 981,905 of these plates at a loss of \$1,404,124 that DOR has already paid and will not recoup.
- DOR 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)

- DOR currently has 44,304 flat specialty plates in stock at contract offices across the state and in storage.
- DOR has paid \$4.25 per plate for these plates at a cost of \$188,292.
- Due to this proposal, DOR would need to eliminate 21,930 of these plates at a loss of \$93,203 that DOR has already paid and will not recoup.
- DOR 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.

ASSUMPTION (continued)

- Due to this proposal, DOR would need to eliminate 909,181 of these tabs at a loss of \$77,280 that DOR has already paid and will not recoup.
- DOR 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: \$1,574,607

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 DOR 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.
- DOR 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.

ASSUMPTION (continued)

- 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 DOR 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.
- DOR 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 DOR 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.
- DOR 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.

ASSUMPTION (continued)

- This proposed 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 from \$15 fee for second plate

Stock Plates (Embossed Plates)

- DOR issued 5,706,695 new and renewal registrations in FY 09.
- # The number of customers who would pay \$15 for the second plate is unknown; however, if it is assumed that 1% of new and renewal applicants will obtain a second plate issued in FY 11, the revenue increase will be as follows:

5,706,695 X 1% = 57,067 X \$15 = \$856,005
- # This results in an increase in revenue of 713,337 in FY 11 (figured for 10 months), and \$856,005 in FY 12 and 13 that is constitutionally distributed as follows:

| | FY 11 | FY 12 | FY 13 |
|------------------|-----------|-----------|-----------|
| 75% Highway Fund | \$535,003 | \$642,004 | \$642,004 |
| 15% Cities | \$107,000 | \$128,401 | \$ 28,401 |
| 10% Counties | \$ 71,334 | \$ 85,600 | \$ 85,600 |

§301.130.3

This subsection would allow property carrying commercial motor vehicles the ability to obtain two license plates instead of one. 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.

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 DOR web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost

ASSUMPTION (continued)

of \$218 in FY 11.

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

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.

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. If it is assumed that 1%, or 2,735, of these registrants will want the second plate, DOR 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.

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 of \$34,175 in FY 11 (figured for 10 months), and \$41,010 in FY 12 and 13 that is constitutionally distributed as follows:

| | FY 11 (10 months) | FY 12 | FY 13 |
|------------------|-------------------|----------|----------|
| 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 |

OA-ITSD (DOR) 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. Minimal impact and will be absorbed by existing staff.

OA-IT (DOR) INFORMATION TECHNOLOGY

DOR's response to a proposal similar to or identical to this one 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 motor vehicle legacy 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 \$25,440 based on 960 FTE hours.

LMD:LR:OD (12/02)

ASSUMPTION (continued)

ASSUMPTIONS:

Motor Vehicle systems - 320 hours/\$ 8,480
Driver License systems - 640 hours/\$16,960

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.

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.

Oversight assumes the negative impact outlined by the MHP is speculative and, for fiscal not purposes only, assigns no fiscal impact.

| <u>FISCAL IMPACT - State Government</u> | FY 2011 (10 Mo.) | FY 2012 | FY 2013 |
|--|-------------------------|-------------------------|-------------------------|
| GENERAL REVENUE | | | |
| # <u>Savings</u> - Department of Revenue (DOR) | | | |
| Material cost reduction in plates/tabs (\$301.130) | \$906,714 | \$1,088,057 | \$1,088,057 |
| # <u>Cost</u> - Department of Revenue (DOR) | | | |
| Material costs for plates (\$301.130.3) | (\$3,259) | (\$3,911) | (\$3,911) |
| <u>Cost</u> - DOR - 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> |
| # ESTIMATED NET EFFECT ON GENERAL REVENUE | <u>\$557,950</u> | <u>\$744,808</u> | <u>\$539,184</u> |
| HIGHWAY FUND | | | |
| <u>Income</u> - Reinstatement fees (\$303.025) | \$1,650 | \$1,980 | \$1,980 |
| # <u>Income</u> - Increase in fees (\$301.130) | \$535,003 | \$642,004 | \$642,004 |
| # <u>Income</u> - Increase in fees (\$303.130.3) | <u>\$25,631</u> | <u>\$30,757</u> | <u>\$30,757</u> |
| # ESTIMATED NET EFFECT ON HIGHWAY FUND | <u>\$562,284</u> | <u>\$674,741</u> | <u>\$674,741</u> |

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

§301.218 - 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

FISCAL DESCRIPTION (continued)

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.

Amendment 6 - §301.130 - One license plate/tab

Under this provision, the state will only issue one license plate beginning August 28, 2010, unless the registered owner is eligible to receive a second plate. Some motorists will be able to obtain an optional second plate upon the payment of a \$15 fee. Motorists who currently receive two plates will be issued one plate and the plate shall be attached to the rear (instead of front and rear) of the motor vehicle. Applicants who request two license plates shall attach the plates to the front and rear of the vehicle. Applicants for personalized and special license plates will be automatically be issued two license plates.

The proposal also requires that no tab shall be issued for the optional license plate and no tab shall be required to be displayed on such plate .

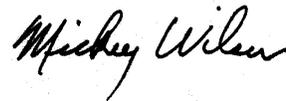
An applicant may receive two license plates for any property-carrying commercial vehicle, rather than the standard issuance of one plate, by paying an additional \$15 fee.

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 22, 2010