

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4834-01
Bill No.: SB 869
Subject: Motor Vehicles; Highway Patrol; Transportation
Type: Original
Date: February 15, 2010

Bill Summary: The proposal increases certain motor vehicle safety inspection fees and requires the Highway Patrol to issue rules to computerize the vehicle safety inspection program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$3,180)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$3,180)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Highway	\$1,266,494	\$1,519,793	\$1,519,793
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,266,494	\$1,519,793	\$1,519,793

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Public Defender** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Transportation (MoDOT)** assume the proposal increases the fee that is to be assessed for each certificate of inspection, sticker, seal or other device issued to official motor vehicle inspection stations. Currently, a fee of \$1.50 is assessed for these items, with \$1.00 being deposited into the State Highways and Transportation Department Fund (SHTDF), and the remaining \$0.50 being deposited into the Highway Patrol Inspection Fund (which is swept biennially, with unexpended balances being transferred to the State Road Fund). The proposal increases the safety inspection fee from \$12 to \$15 and increases the contribution to the highway fund by \$.50. Based on the average FY07 – FY09 inspection fee collections, MoDOT assumes the proposal would result in an additional \$1.2 million in FY 2011 and an additional \$1.5 million in subsequent years.

Officials from the **Department of Revenue (DOR)** assume Section 307.356, which requires the Missouri State Highway Patrol (MSHP) to computerize the motor vehicle safety inspection program, would have a fiscal impact on the DOR.

The DOR's Motor Vehicle Bureau (DLB) would have the following impact:

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's Information Technology – OA-ITSD (DOR) would have the following impact:

The IT portion of the fiscal impact is estimated with a level of effort valued at \$3,180. The value of the level of effort is calculated on 120 FTE hours. The following system modifications would be required:

- The Motor Vehicle Bureau would need to interface with the MSHP's new safety inspection system to verify a passing or failing safety inspection for new motor vehicle registrations and renewals (if required).

ASSUMPTION (continued)

- This process of interfacing would be the same process as what is currently in place with the Gateway Vehicle Inspection Program for the emissions testing program in the St. Louis area.
- IT would need to develop interfacing elements from the Motor Vehicle Bureau systems with the new safety inspection computer program.

Oversight assumes DOR could absorb the overtime cost for the Management Analyst Specialist within existing resources.

Officials from the **Department of Public Safety – Director’s Office** assume any costs associated with promulgating rules to carry out this proposal can be absorbed within existing resources.

Officials from the **Department of Public Safety – Missouri State Highway Patrol’s (MSHP) Motor Inspection Division** states that the potential \$.50 increase in the safety inspection sticker fee will increase the annual deposits to the Highway Fund by \$1.2 million annually.

MSHP also provided the following information: For each sticker sold in this proposed legislation, one dollar and fifty cents would be deposited in the Highway Fund and fifty cents would be deposited in the Highway Patrol Inspection Fund.

Projected Revenue for FY11 (Highway Fund):
 $2,400,000 \times \$1.50/12 \times 10 = \$3,000,000$

Projected Revenue for FY11 (Highway Patrol Inspection Fund):
 $2,400,000 \times \$.50/12 \times 10 = \$1,000,000$

Projected Revenue for FY12 and FY13 (Highway Fund):
 $2,400,000 \times \$1.50 = \$3,600,000$

Projected Revenue for FY12 and FY13 (Highway Patrol Inspection Fund):
 $2,400,000 \times \$.50 = \$1,200,000$

MSHP assumes the inspection stations will assume all expenses for creating the computerized inspection program.

ASSUMPTION (continued)

Oversight has reflected only the revenue generated by the \$0.50 increase in the safety inspection sticker fee, which will increase the deposits to the Highway Fund. The fees of \$1.00 to the Highway Fund and \$0.50 to the Highway Patrol Inspection Fund are not reflected in the fiscal note, as these fees are currently collected, pursuant to Section 307.365.6, RsMo. For fiscal note purposes, Oversight has utilized the revenue estimates provided by Department of Transportation.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. 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 proposal for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the Office of Administration – Information Technology Services Division and the Office of Prosecution Services did not respond to Oversight’s request for fiscal impact.

The proposal would have a positive fiscal impact on Total State Revenue. The fifty cent increase in the safety inspection sticker fee will increase the annual deposits to the Highway Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Costs – Department of Revenue</u>			
OA – ITSD Programming	<u>(\$3,180)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$3,180)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2011	FY 2012	FY 2013
(continued)	(10 Mo.)		

HIGHWAY FUND

<u>Revenues</u> – Department of Transportation			
Increased inspection fees	<u>\$1,266,494</u>	<u>\$1,519,793</u>	<u>\$1,519,793</u>

ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$1,266,494</u>	<u>\$1,519,793</u>	<u>\$1,519,793</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011	FY 2012	FY 2013
	(10 Mo.)		
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses owning vehicles will be fiscally impacted by this legislation because they will pay more for motor vehicle safety inspections.

Safety inspection stations would be able to collect an additional \$3.00 for each safety inspection. However, the inspection stations will have expenses to computerize the computer safety program.

FISCAL DESCRIPTION

The proposal would raise the cap on what Missouri inspection stations may charge for performing safety inspections from \$12 to \$15. The fee charged for certificate of inspections to official inspection stations is raised from \$1.50 to \$2.00. From this fee, \$1.50 shall be credited to the State Highway Fund (increased from \$1.00).

FISCAL DESCRIPTION (continued)

The Highway Patrol shall issue rules and regulations prescribing the means and methods to computerize the vehicle safety inspection program to eliminate unnecessary paperwork, make vehicle safety inspections more efficient, effective, and fair, eliminate the need for inspection stickers on vehicles, and increase consumer protection and safety. The rules and regulations shall define the equipment that official inspection stations must have and what portion, if any, of the inspection fee shall be used to cover the cost of computerizing the vehicle safety inspection program.

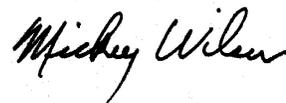
This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Transportation
Department of Revenue
Department of Public Safety
 – Missouri State Highway Patrol
 – Director's Office
Office of the Secretary of State
Office of the State Public Defender

NOT RESPONDING

Office of Administration – Information Technology Services Division
Office of Prosecution Services



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