

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0996-02
Bill No.: SB 131
Subject: Motor Vehicles; Transportation
Type: Original
Date: January 31, 2011

Bill Summary: This proposal exempts qualified plug-in electric drive vehicles from the motor vehicle emissions inspection program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** assume there will be no fiscal impact to their agency.

Officials from the **Department of Revenue (DOR)** assume the DOR's response to a similar proposal in prior years would have 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 fiscal impact is:

Section 643.315.2(12)(g) states "Is propelled to a significant extent by an electric motor that draws electricity from a battery..."

Based on this, the DOR assumes this new emissions exemption is for electric hybrid motor vehicles that are not exclusively powered by electric, but are powered by a combination of electric and another source, (i.e. gasoline, diesel, or ethanol).

Administrative Impact

Motor Vehicle Bureau:

Section 643.315.2(12)

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 12.
- The Department's website will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III. At a cost of \$218 in FY 12.

Total Cost for Fte IN fy 12: \$1,023

- Update the Titling Tips publication to update licensed Missouri dealers and title services of the emissions exemption, there will be no additional cost for this.

Information Technology LA-ITSD (DOR):

- OA-ITSD would need to create a new fuel type for electric hybrid motor vehicles that meet the criteria set forth in this proposal.

VL:LR:OD (12/02)

ASSUMPTION (continued)

- OS-ITSD would need to create a new emissions exemption code in Title and Registration Intranet Processing System (TRIPS).

TRIPS - 1 IT IV - 160 hours
Legacy Systems - 1 IT IV - 320 hours
Database - 1 IT IV - 40 hours

Requires adding new fuel type systems including but not limited to TRIPS, Titles, GRS, Fleet, and Renewal Pull.

The value of the level of effort is calculated on 520 FTE hours.

Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$13,780.

Oversight assumes this would be accomplished during the normal budgetary process. Therefore, Oversight assumes the initial administrative impact of this proposal is \$0.

Officials from the **Department of Natural Resources (DNR)** assume the current emission inspection fee is \$24. For every inspection, \$3.45 goes to the contractor for updating the database and maintaining equipment; \$2.50 goes to the Department of Natural Resources and the remainder goes to the station.

At this time the Inspection Maintenance program software can only capture information on whether the vehicle being inspected is gasoline or diesel. It does not identify a vehicle as a hybrid-electric vehicle. The total number of vehicles receiving emission inspections conducted in FY 2010 was 695,433.

According to a service department at a Honda dealership and per the information their technician provided, most of the time a hybrid vehicle operates on roughly 75% gasoline, 25% electric power basis.

By exempting hybrid electric vehicles, the Gateway Vehicle Inspection Program would receive fewer proceeds from the inspection fees; however the amount of fiscal impact is unknown due to the unknown number of vehicles that would be exempted under this proposal.

Oversight assumes until a determination is made on the number of vehicles that may be exempted under this proposal the initial impact would be \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Manufacturers of certain qualified plug-in electric vehicles will not need to obtain emissions inspection.

The proposal could possible reduce the revenue for small business inspection stations because fewer cars would require inspections due to proposed exemptions.

FISCAL DESCRIPTION

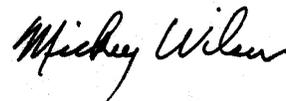
The proposal exempts qualified plug-in electric drive vehicles from the motor vehicle emissions inspection program.

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

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SOURCES OF INFORMATION

Department of Transportation
Department of Revenue
Department of Natural Resources



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