

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4924-05  
Bill No.: SCS for HCS for HB 1640  
Subject: Motor Vehicles; Revenue Department; Taxation and Revenue - Sales and Use;  
Transportation; Licenses - Motor Vehicle; Licenses - Driver's; Transportation;  
Motor Carriers  
Type: Original  
Date: May 2, 2012

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 26 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Road Bond	(Unknown)	(Unknown)	(Unknown)
State Road	(Unknown)	(Unknown)	(Unknown)
State Transportation	(Unknown)	(Unknown)	(Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Conservation Commission	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Parks, and Soil and Water	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Environmental Radiation Monitoring	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
Motor Vehicle Commission	Unknown	Unknown	Unknown
Highway Fund	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
Water Patrol Fund	\$8,500	\$8,500	\$8,500
Criminal Records Fund	\$25,894	\$25,894	\$25,894
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Administrative Hearing Commission, Office of the State Courts Administrator and Department of Agriculture** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Department of Transportation** concur with Department of Revenue regarding any fiscal impact to their organization.

In response to a previous version of this proposal, officials from the **Office of the State Auditor** assume the proposal will have no fiscal impact on their organization.

In response to a previous version of this proposal, officials from the **Office of Prosecution Services** state there will be no measurable fiscal impact to their agency. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional cost which are difficult to determine.

Officials from the **City of Lees Summit, Butler County, Independence Police Department, Jackson County Sheriffs Department and Centralia Fire Department** did not respond to our request for fiscal impact.

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to their organization. BAP officials noted the following.

#### Section 144.030(4)

This proposal would provide an expanded sales tax exemption for commercial motor vehicles licensed for a weight in excess of 54,000 pounds and used for hauling property, for trailers for those vehicles, and for materials, replacement parts, and equipment for use directly upon and for the repair and maintenance or manufacture of such vehicles. The sales tax exemption would also be applied to commercial motor vehicles licensed for a weight in excess of 24,000 pounds but not already exempt as common carriers.

ASSUMPTION (continued)

Vehicle exemption

DOR informed BAP that in FY 2011 there were 2,370 new vehicles registered that meet the size limits above. Sales tax in the amount of \$2.1 million was collected on those vehicles. BAP assumes this proposal would reduce state revenues by similar amounts.

Equipment Exemption

According to the Federal Motor Carrier Safety Administration , there are just less than 11 million "large trucks" registered in the United States which travel an estimate 288,005 million miles annually. BAP assumes that 2% of these truck-miles are traveled in Missouri. Based on industry information, BAP estimates the repair and maintenance cost for large trucks to be about \$0.14/mile. BAP further estimates that half this cost is labor-related, and thus no sales tax is collected.

BAP also assumes this exemption would apply largely to vehicles not already exempt as "common carriers". Based on an estimate from DOR, BAP assumes 12% of trucks are not common carriers. Therefore, this proposal could reduce General and Total State Revenues up to the amounts in the table below.

Vehicle Miles Traveled by Large Trucks	288,055,000,000
Missouri Share	2%
Missouri Miles	5,761,100,000
Cost / Mile	\$0.07
Total Cost	\$403,277,000
Portion Not Already Exempt	12%
Cost Not Already Exempt	\$48,393,240
Revenue Losses	
General Revenue (3%)	\$1,451,797
Education (1%)	\$483,932
Conservation (0.125%)	\$60,492
Natural Resources (0.1%)	\$48,393

ASSUMPTION (continued)

Section 144.030(12)

This provision would add an exemption on motor vehicles in excess of 24,000 pounds not already exempt as common carriers. This provision would reduce General and Total State Revenues, and local revenues, by an unknown amount in excess of the estimates of above.

Section 227.513

This provision would allow the renaming of I-70, with costs to be covered by private donations. This would have no impact on General and Total State Revenues.

Section 260.392

This provisions would exempt certain controlled shipments from paying fees into the Environmental Radiation Monitoring Fund and undergoing certain inspections. This would reduce state revenues.

Section 301.010

This provision would change the definition of a recreational off-road vehicle. Because of overlap with the definition of "ATV", this provision could result in the loss of certain registration fees and reduced General and Total State Revenues. BAP defers to DOR for a more detailed discussion.

Section 306.532

These provisions would change the title requirements for outboard motors. This would not impact General and Total State Revenues.

Section 302.010, 302.060, 302.309

Officials from the **Department of Public Safety - Missouri Highway Patrol** state that the Department of Revenue (DOR) states that in 2011, the average annual requests for reinstatements for a five-year revocation were 486, reinstatements for ten-year revocations were 378, and requests for limited driving privileges were 313 ( $486 + 378 + 313 = 1,177$ ). For purposes of this fiscal note, the Patrol will use 1,177 as the number of individuals requesting to have their driver's license either reinstated or to request limited driving privileges for FY13, FY14, and FY15.

ASSUMPTION (continued)

The charge for each background check processed is \$36.25. Twenty dollars for the state fingerprint check and an additional \$16.25 for the federal check ( $\$20 + 16.25 = \$36.25$ ). Of this amount, the state retains the \$20 fee and \$2 of the federal charge of \$16.25 for a pass-thru fee. Additionally, if the electronic fingerprint option is used through a third-party vendor, an additional \$12.95 charge will be assessed. This amount is paid directly to the vendor at the time of application.

Estimated Revenue:

1,177 x \$36.25 (state/federal background check)	\$42,666
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Estimated Expense:

1,177 x \$14.25 (federal background check charge)	\$16,772
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Section 306.127

Officials from the **Department of Public Safety - Missouri Highway Patrol** state this proposal would require any person or company that rents or sells vessels to issue a temporary boating safety identification card to a nonresident in order to operate a rented vessel or vessel being considered for sale for a period up to seven days. The cost to purchase a permit is \$9.

Because nonresidents will not be eligible for more than one temporary boating safety identification card, the Highway Patrol states that it would take two FTE approximately 400 hours to design, develop, test, and implement the programs and/or databases necessary to implement this legislation. The Patrol will develop this in-house; therefore, any costs associated with the development and implementation will be absorbed by the Patrol. Also, the Patrol will absorb the cost for the water-proof paper supplied to participating vendors. It is unknown how many permits will be requested. For purposes of this fiscal note, the Patrol estimates that 1,000 permits will be issued throughout a year ( $\$9 \times 1,000 = \$9,000$ ). Since there is an option for payment by credit or debit card, the Patrol will have to pay \$1 to a collection service for every card transaction. The Patrol assumes that half of the customers will pay by card, with a corresponding expense of \$500 ( $\$1 \times 500 = \$500$ ).

Officials from the **Department of Elementary and Secondary Education** state there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year.

ASSUMPTION (continued)

Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

**Oversight** assumes the proposal would result in increased fine revenues to local governments. Oversight assumes the revenues from the increased fines would be distributed to local school districts, which would reduce the distributions the school districts would receive from the state school moneys fund, ultimately resulting in a savings to the General Revenue Fund. Oversight has reflected the fiscal impact to the State School Moneys Fund and General Revenue Fund for fiscal years 2014 and 2015, because any increase in fees distributed to schools increases the deduction in the foundation formula the following year.

In response to a previous version of this proposal, officials from the **Missouri Department of Conservation** state there will be an unknown negative fiscal impact, but assumed greater than \$100,000. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. Exempting materials, replacement parts, and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of motor vehicles used by motor carriers in the transportation of persons or property, and exempting titled manufacturing or mining equipment from sales tax will decrease sales tax collected and thus would decrease revenue to the Conservation Sales Tax funds. The Department assumes the Department of Revenue would be better able to estimate the anticipated fiscal impact that would result from this proposal.

Officials from the **Department of Natural Resources (DNR)** assume this proposal would make changes to several tax provisions

Section 144.030.2 (4)

Officials from the DNR state this proposal would create a state and local sales tax exemption on materials, replacement parts and equipment purchased for the repair and maintenance or manufacture of motor vehicles used by motor carries in the transportation of persons or property.

ASSUMPTION (continued)

Adding additional sales tax exemptions would decrease the amount of funding available in the Parks & Soils Sales Tax Funds. These funds have been used for the acquisition and development, maintenance and operation of state parks and historic sites and to assist agricultural landowners through voluntary programs.

The Department's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, any additional sales tax exemption would be an unknown loss to the Parks and Soils Sales Tax Funds.

Section 260.392

Officials from the **Department of Natural Resources** state the proposed changes to Sections 260.392.1(3) and 260.392.2 would exempt all Highway Route Controlled Quantity (HRCQ) radioactive shipments from the current fee. This fee is projected to account for approximately 69% of the revenues to the Environmental Radiation Monitoring Fund (Fund 0656). All HRCQ shipments over the past two fiscal years originated in Canada with final destinations outside of Missouri. A majority of shipments (3 out of 4) are being sent to out of state ports for foreign export (China, Mexico, Malaysia, etc.). The fee currently supports functions allowed by the statute such as escorts and ensuring security of shipments by the Missouri State Highway Patrol, safety and radiation measurement and inspections by the Missouri Department of Health and Senior Services, equipment purchased to ensure radiation safety of the public, and training to first responders across the state that would respond to an accident involving these radioactive shipments. Currently, most of these functions are related to or conducted on HRCQ shipments. None of these services that help protect the citizens of Missouri would be supported without collection of this fee. Additionally, if shipping HRCQ through Missouri becomes preferred due to a financial advantage, more shipments may be expected for Missouri's highway system increasing wear and tear on the road system and increase the probability of an accident.

Currently, most of those functions are related to or conducted on HRCQ shipments and services that help protect the citizens of Missouri are supported by the transport fee.

The DNR response indicated a revenue reduction of \$282,600 per year for the Environmental Radiation Monitoring Fund and unknown revenue reductions for the General Revenue Fund, Parks, and Soil and Water Fund, and for local governments for this proposal.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DHSS)** noted that this proposal would make certain shipments exempt from transport fee provisions of in current state law. DHSS defers to the Department of Natural Resources for an estimate of the revenue reduction to the Environmental Radiation Monitoring Fund.

The proposal would also appear to exempt these shipments from a radiological safety inspection once they enter Missouri if they passed the North American Standard Level VI inspection at the point of origin, unless such inspection is determined to be necessary at the discretion of state safety resources. These provisions could have an unknown impact on the department's ability to meet other current requirements for "Inspections, escorts, and security for waste shipment and planning".

Currently, all HRCQ shipments coming through the state are escorted by the Missouri State Highway Patrol (MSHP) to a secure location then given a "radiological safety inspection" at that location by DHSS staff. MSHP then continues to escort the shipment to the state line.

Costs for this program are supported by the Environmental Radiation Monitoring Fund. In FY 2012 to date, DHSS has incurred expenses of \$36,783; a majority of this cost was for inspections but approximately \$5,500 was spent on developing training. DHSS officials estimated that costs for personal services, training, and equipment for future fiscal years would increase to an estimated \$100,000 as shipments increase and required training of state and local emergency responders and health officials is implemented.

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 fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500.

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget.

Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** states this legislation adds a new crime for making a false statement or omission on a monthly sales report to Department of Revenue and possessing a fraudulently obtained certificate of ownership, license, or nondriver identification of a new Class A misdemeanor.

This legislation would also make failure to surrender license or distinctive license plates upon demand a new Class A misdemeanor. This legislation would also create several new Class C misdemeanors relating to the operation of off highway vehicles and overtaking or passing another vehicle within an active emergency zone.

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 effective representation.

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

Officials from the **Department of Corrections (DOC)** state supervision by the DOC through probation or incarceration would result in some additional cost, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Section 144.030.2(4)

Officials from the **Department of Revenue (DOR)** state his legislation adds Section 144.030.2(4) and broadens the sales tax exemption to any motor vehicles and trailers transporting persons or property for hire that weigh in excess of 54,000 pounds and to the materials, replacement parts, and equipment for use on those vehicles. In FY 2011, 2,370 vehicles were registered that weighed in excess of 54,000 and paid \$2.1 million in sales taxes. The Department estimates a total state revenue will be reduced by a similar amount if this provision is enacted. The majority of these funds are paid to state road and transportation funds, and cities and counties. The Department also estimates an additional reduction of approximately \$1.4 million to General Revenue related to the parts and materials used to repair or provide maintenance on the vehicles. The Department is not able to identify the number of trailers that would qualify for the exemption. The Department assumes there will be an unknown loss to total state revenue related to trailers.

ASSUMPTION (continued)

It is the Department's understanding that the change to Section 144.030.2(12) which broadens the sales tax exemption to "motor" carriers will be removed by the sponsor. If this section is not removed, it could potentially reduce total state revenues by an additional unknown amount.

DOR states procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182 in FY13. The Department's web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY13. Total cost to implement this section is \$1,501.

Section 301.218

This section of the proposal deletes "mobile scrap processor" to "scrap processor" for licensing purposes. The Department 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 \$1,625 in FY13 (10 months) and \$1,950 thereafter.

Section 301.580

Officials from the DOR state the following will be require:

- Provides for the issuance of a "special event motor vehicle auction" license. With rules, regulations, and restrictions to such licenses as follows:
- 90% of the vehicles auctioned are at least 10 years old or older.
- The licensee shall auction no more than 3% of the total number of vehicles presented for auction which are owned and titled in the name of the licensee or its owners.
- The auction is no more than three consecutive calendar days.
- An applicant can hold no more than two special event auctions in any calendar year.
- A special event motor vehicle auction shall be considered a public motor vehicle auction, for purposes of sections 301.559 and 301.564.
- Special event motor vehicle auction licensees shall be exempt from the requirements of section 301.560, with the exception of subdivision (4) of subsection 1 of section 301.560.
- Application for a special event motor vehicle auction license must be received by the Department at least 90 days prior to the beginning of the special event auction.
- A separate application is required for each special event motor vehicle auction.
- The licensee shall, within ten days of the conclusion of a special event motor vehicle auction, submit a report in the form approved by the director to the Department that includes the make, model, year, and vehicle identification number of each vehicle included in the auction. Every vehicle included in the special event auction shall be

ASSUMPTION (continued)

- listed, including those vehicles that were auctioned and sold and those vehicles that were auctioned but did not sell. Violation of this subsection is a class A misdemeanor.
  - o For every vehicle auctioned in violation, an administrative fee of \$500 shall be paid to the Department.
  - o Such fees shall be deposited in like manner as other license fees of this section.
- The applicant for the special event motor vehicle auction shall be responsible for ensuring that a sales tax license or special event sales tax license is obtained for the event if one is required.
- The fee for a special event motor vehicle auction license shall be \$1,000.
  - o Such fees shall be deposited in like manner as other license fees of this section.
- The Department may promulgate rules that establish additional causes to refuse to issue or to revoke a special event license.
- The applicant for a special event motor vehicle auction shall be registered to conduct business in this state.
- Every applicant for a special event motor vehicle auction license shall furnish with the application a corporate surety bond or an irrevocable letter of credit as defined in section 400.5-103, RSMo, issued by any state or federal financial institution in the penal sum of \$100,000.
  - o The bond or irrevocable letter of credit shall be conditioned upon the applicant complying with the provisions of the statutes applicable to a special event auction license holder and the bond shall be an indemnity for any loss sustained by reason of the acts of the person bonded when such acts constitute grounds for the revocation or denial of a special event auction license.
  - o The bond shall be executed in the name of the state of Missouri for the benefit of all aggrieved parties or the irrevocable letter of credit shall name the state of Missouri as the beneficiary.
  - o The aggregate liability of the surety or financial institution to the aggrieved parties shall not exceed the amount of the bond or irrevocable letter of credit.
  - o The proceeds of the bond or irrevocable letter of credit shall be paid upon receipt by the Department of a final judgment from a Missouri court of competent jurisdiction against the principal and in favor of an aggrieved party.
- No dealer, driveaway, auction, or wholesale plate, or temporary permit booklet, shall be issued in conjunction with a special event motor vehicle auction license.
- Any person or entity who sells a vehicle at a special event motor vehicle auction shall provide, to the buyer, current contact information including, but not limited to:

ASSUMPTION (continued)

Name;  
Address; and  
Telephone number.  
Provides rulemaking authority.

DOR estimates procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182 in FY13. 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 \$1,182 in FY13. The Department web site will need to be updated to include information for the special event motor vehicle auction license. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY13.

In summary, DOR assumes a cost of \$2,683 ( \$1,182+ \$1,182 + \$319) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

Section 301.580

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

Section 302.130.1

DOR states this proposal would expand the list of qualified persons who may accompany temporary instruction permit holders who are under sixteen years of age to include a person who is at least twenty-five years of age who has been licensed for a minimum of three years and has received written permission from the parent or legal guardian to escort or accompany the driver.

The proposed changes will require the Department to:

- Draft updates to procedures, manuals, forms and web site information.
- Draft updates to printed and electronic versions of the driver guide.
  - o It is assumed these changes will be included upon next review and reorder and will not require additional costs for destruction of the prior manuals and reissuance of updated manuals.

ASSUMPTION (continued)

**FY 13**

Administrative Analyst -	10 hrs @ \$24 (1 1/2) per hr =	\$ 240
Management Analysis Specialist II -	10 hrs @ \$23 per hr =	\$ 230
Revenue Band Manager -	10 hrs @ \$30 per hr =	<u>\$ 300</u>
	<b>Total =</b>	<b>\$770</b>

Cost for Personnel Services Bureau to update web site and driver guide information:

**FY 13**

Administrative Analyst III	10 hours@ \$22 per hr =	\$ 220
2 Management Analysis Specialist I -	80 hours@ \$21 per hr =	<u>\$1,680</u>
	<b>Total =</b>	<b>\$1,900</b>

In summary, DOR assumes a cost of \$2,670 ( \$770 + \$1,900) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

Section 302.302

DOR assumes this section would allow for the assessment of points for violations relating to endangering an emergency worker.

DOR's Driver License Bureau estimates 40 hours of system testing for one Administrative Analyst I; 40 hours @ \$16 per hour = \$640

The Department'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 driver license 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 \$1,060 calculated by taking 1 FTE 40 hours.

In summary, DOR assumes a cost of \$1,700 ( \$640 + \$1,060) in FY 2013 to provide for the implementation of the changes in this proposal.

ASSUMPTION (continued)

Section 302.309.5

DOR states this section would place an affirmative obligation on an applicant for a limited driving privilege on either a five-year or ten-year denial to apply and pay for a 'criminal history check' as defined in 302.010(4) with the Missouri State Highway Patrol and have the results forwarded to the circuit court and the Department.

The proposed change will require:

- Programming and testing for compliance when reinstating a five-year alcohol denial;
- Drafting Internal staff procedures; and
- Training and Testing.
- The Driver License Bureau estimates 80 hours of system testing and training by one Administrative Analyst.
- The Driver License Bureau estimates 80 hours of system testing and training by one Management Analysis Specialist II.

**FY13**

Administrative Analyst -	80 hrs @ \$16 per hr = \$1,280
Management Analyst Specialist II	80 hrs @ \$23 per hr = <u>\$1,840</u>
	<b>Total= \$3,120</b>

Update web page - Administrative Analyst III	10 hrs @ \$22 = \$220
Update forms - Management Analysis Spec I	40 hrs @ \$20 = \$800
Update procedures - Management Analysis Spec I	40 hrs @ \$20 = <u>\$800</u>
	<b>Total= \$1,820</b>

The Department'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 driver license 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 \$6,360 calculated on 240 FTE hours @ 26.50.

In summary, DOR assumes a cost of \$11,300 ( \$3,120+ \$1,820 + \$6,360) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

ASSUMPTION (continued)

Section 302.530.3

DOR states this section could change Administrative Hearings from the county of the arrest to a regional location designated by the Director and would require the following:

- Programming and testing for changes to the administrative alcohol hearing process including docketing and notices sent to the citizens and their attorneys
- Internal staff procedures and training
- The Driver License Bureau estimates 160 hours of system testing and training by one Administrative Analyst
- The Driver License Bureau estimates 160 hours of system testing and training by one Management Analysis Specialist II

**FY13**

Administrative Analyst I -	160 hrs @ \$24 (1 ½) per hr = \$3,840
Management Analyst Specialist II -	160 hrs @ \$23 per hr = \$3,680
Revenue Band Manager I -	80 hrs @ \$25 per hr = <u>\$2,000</u>
	<b>Total = \$9,520</b>

Update web page - Administrative Analyst III	10 hrs @ \$22 = \$220
Update forms - Management Analysis Spec I	40 hrs @ \$20 = \$800
Update procedures - Management Analysis Spec I	40 hrs @ \$20 = <u>\$800</u>
	<b>Total = \$1,820</b>

The Department'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 driver license 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 \$530 calculated on 20 FTE hours @ 26.50.

In summary, DOR assumes a cost of \$11,870 ( \$9,520 + \$1,820 + \$530) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

ASSUMPTION (continued)

Section 304.033.1

DOR states this section would permit persons to operate a vehicle defined as a "recreational off-highway vehicle" under section 301.010 (48) on public highways for certain purposes and under certain circumstances, i.e., within three miles of an operator's primary residence; by handicapped persons; by government entities for official use; and agricultural purposes or industrial on-site purposes (during daylight hours). Under subsection 3, requires valid driver's license for operation (except handicapped). Under subsection 4, creates the offense of operating a recreational off-highway vehicle while under the influence of alcohol or a controlled substance. Under subsection 6, such vehicle deemed to be a "motor vehicle" when operated on a public street or highway for Chapter 303 minimum financial responsibility or liability insurance purposes.

DOR's Driver License Bureau estimates 40 hours of system testing for new conviction codes for 1 Administrative Analyst @ 24 per hour. Total cost for FY 2013 for implementation of this section is \$960

Section 304.351

DOR states this section would increase the penalties for any person who pleads guilty to or is found guilty of a failure to yield the right-of-way violation in which the offender is found to have caused serious injury or has caused a fatality and requires the court to order a failure to yield the right-of-way suspension when applicable. In the event of a fatality, the proposed legislation would require the offender to complete a driver improvement program.

This proposal would require programming and testing to the Missouri Driver License (MODL) system and procedure changes, forms changes, and updates to the web site.

The Department is unable to determine how many court ordered suspensions will be received to process. Today the Revenue Processing Tech I can process 104 court orders daily. If we receive 104 court orders daily we would require 1 FTE to process. For every additional 104 court orders received daily an additional FTE would be requested through the appropriation process.

The proposed changes will require programming and testing of the failure to yield the right-of-way suspensions when involving a fatality.

- The Driver License Bureau estimates 80 hours of system testing by one Administrative Analyst.

ASSUMPTION (continued)

- The Driver License Bureau estimates 80 hours of system testing by one Management Analysis Specialist II.

**FY13**

Administrative Analyst -	80 hrs @ \$16 per hr =	\$1,280
Management Analyst Specialist II -	80 hrs @ \$23 per hr =	<u>\$1,840</u>
	<b>Total=</b>	<b>\$3,120</b>

Update web page - Administrative Analyst III	10 hrs @ \$22 =	\$220
Update forms - Management Analysis Spec I	40 hrs @ \$20 =	\$800
Update procedures - Management Analysis Spec I	40 hrs @ \$20 =	<u>\$800</u>
	<b>Total =</b>	<b>\$1,820</b>

The Department'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 driver license 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 \$1,590 on 60 FTE hours @ \$26.50.

In summary, DOR assumes a cost of \$6,530 ( \$3,120 + \$1,820 + \$1,590) in FY 2013 to provide for the implementation of the changes in this proposal.

The Revenue impact is unknown however the following distribution is as follows: 75% Highway Funds, 15% Cities, and 10% Counties.

**Oversight** notes that current law provides for 50% of vehicle sales taxes to be distributed to the Road Bond Fund, 36.5% to the State Road Fund, 1% to the State Transportation Fund, and 12.5% to cities and counties. For fiscal note purposes, Oversight assumes the expanded vehicle sales tax exemption would lead to an unknown revenue reduction for those state funds and for local governments.

**Oversight** assumes the expanded vehicle sales tax exemption in this proposal would reduce revenues to the School District Trust Fund by an unknown amount, and that the revenue reduction to the Conservation Commission Fund and the Parks, and Soil and Water Fund, would be less than \$100,000 per year.

ASSUMPTION (continued)

**Oversight** will indicate an unknown revenue reduction to the General Revenue Fund, for those other state funds which receive sales tax revenues, and to local governments for the sales tax exemption on commercial vehicle repair parts.

**Oversight** will include a revenue reduction of more than \$100,000 per year for the Environmental Radiation Monitoring Fund for the elimination of the Highway Route Controlled Quantity fee. Oversight assumes that continued operation and funding for the current inspection and escort functions would be determined by the General Assembly and will not include those costs in this fiscal note.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Revenue reduction</u> - Sales tax exemption on commercial vehicle parts <i>(Section 144.030)</i>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>ROAD BOND FUND</b>			
<u>Revenue reduction</u> - Sales tax exemption <i>(Section 144.030)</i>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON ROAD BOND FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>STATE ROAD FUND</b>			
<u>Revenue reduction</u> - Sales tax exemption (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON STATE ROAD FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>STATE TRANSPORTATION FUND</b>			
<u>Revenue reduction</u> - Sales tax exemption (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON TRANSPORTATION FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>SCHOOL DISTRICT TRUST FUND</b>			
<u>Revenue reduction</u> - Sales tax exemption (Section 144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>CONSERVATION COMMISSION FUND</b>			
<u>Revenue reduction</u> - Sales tax exemption (Section 144.030)	<u>(Less than \$100000)</u>	<u>(Less than \$100000)</u>	<u>(Less than \$100000)</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Less than \$100,000)</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>PARKS, SOIL AND WATER FUND</b>			
<u>Revenue reduction</u> - Sales tax exemption (Section 144.030)	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>
<b>ESTIMATED NET EFFECT ON PARKS, SOIL AND WATER FUND</b>	<b><u>(Less than</u></b> <b><u>\$100,000)</u></b>	<b><u>(Less than</u></b> <b><u>\$100,000)</u></b>	<b><u>(Less than</u></b> <b><u>\$100,000)</u></b>
<b>ENVIRONMENTAL RADIATION MONITORING FUND</b>			
<u>Revenue reduction</u> - Transport fee elimination (Section 260.392)	<u>(More than</u> <u>\$100,000)</u>	<u>(More than</u> <u>\$100,000)</u>	<u>(More than</u> <u>\$100,000)</u>
<b>ESTIMATED NET EFFECT TO THE ENVIRONMENTAL RADIATION MONITORING FUND</b>	<b><u>(More than</u></b> <b><u>\$100,000)</u></b>	<b><u>(More than</u></b> <b><u>\$100,000)</u></b>	<b><u>(More than</u></b> <b><u>\$100,000)</u></b>
<b>MOTOR VEHICLE COMMISSION</b>			
<u>Revenue</u> - Increase in revenue from special event motor vehicle auction and license fee.(Section 301.580)	Unknown	Unknown	Unknown
<u>Revenue</u> - Increase in revenue from \$500 administrative fee for every vehicle auctioned (Section 301.580)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT TO MOTOR VEHICLE COMMISSION</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	<u>FY 2013</u> (10 Mo.)	<u>FY 2014</u>	<u>FY 2015</u>
<b>HIGHWAY FUND</b>			
<u>Income</u> - Revenue from failure to yield the right-of-way (Section 304.351)	Unknown	Unknown	Unknown
<u>Revenue reduction</u> - Sales tax exemption (Section 144.030)	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT TO HIGHWAY FUND</b>	<b><u>(Unknown) to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>
<b>WATER PATROL FUND</b> (Section 306.127)			
<u>Revenue</u> - Temporary Board Permit	\$9,000	\$9,000	\$9,000
<u>Cost</u> - Collection Services for Debit/ Credit card	(\$500)	(\$500)	(\$500)
<b>ESTIMATED NET EFFECT TO THE WATER PATROL FUND</b>	<b><u>\$8,500</u></b>	<b><u>\$8,500</u></b>	<b><u>\$8,500</u></b>
<b>CRIMINAL RECORDS FUND</b> (Sections 302.010, 302.606, 302.309)			
<u>Revenue</u> - State and federal background fee	\$42,666	\$42,666	\$42,666
<u>Cost</u> - Background check processing	(\$16,772)	(\$16,772)	(\$16,772)
<b>ESTIMATED NET EFFECT TO THE CRIMINAL RECORDS FUND</b>	<b><u>\$25,894</u></b>	<b><u>\$25,894</u></b>	<b><u>\$25,894</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - Revenue from failure to yield the right-of-way ( <i>Section 304.351</i> )	Unknown	Unknown	Unknown
<u>Revenue reduction</u> - Sales tax exemption on vehicles ( <i>Section 144.030</i> )	(Unknown)	(Unknown)	(Unknown)
<u>Revenue reduction</u> - Sales tax exemption on commercial vehicle parts ( <i>Section 144.030</i> )	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown) to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>

FISCAL IMPACT - Small Business

A fleet vehicle business with less than 50 motor vehicles will not be able to get fleet license plates bearing a company name or logo.

FISCAL DESCRIPTION

The proposed legislation modifies the laws relating to the regulation of motor vehicles.

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

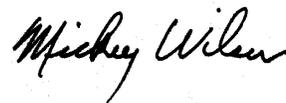
SOURCES OF INFORMATION

Department of Revenue  
Department of Insurance, Financial Institutions and Professional Registration  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Department of Transportation  
Department of Corrections  
Department of Public Safety  
Office of Prosecution Services  
Office of the State Courts Administrator  
Office of the State Public Defender  
Administrative Hearing Commission  
Office of the State Auditor  
Department of Elementary and Secondary Education  
Missouri Department of Conservation  
Department of Agriculture  
Department of Natural Resources  
Department of Health and Senior Services  
Office of Administration

NOT RESPONDING

City of Lees Summit  
Butler County  
Independence Police Department  
Jackson County Sheriffs Department  
Centralia Fire Department

Mickey Wilson, CPA



Director  
May 2, 2012

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