

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5314-02
Bill No.: HB 1658
Subject: Motor Vehicles; Insurance - Automobile
Type: Original
Date: February 10, 2012

Bill Summary: This proposal changes the penalty for failure to maintain motor vehicle financial responsibility.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue Fund	\$0	\$0 or Unknown	\$0 or Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
State School Money	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0 or Unknown	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue, Department of Insurance, Financial Institutions and Professional Registration, Office of the State Public Defender, Department of Corrections, Department of Public Safety - Missouri Highway Patrol, Department of Transportation**, and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

Officials from **Office of Prosecution Services** did not respond to our request for fiscal impact.

This fine and/or jail punishment has only been effective since August 28, 2011. Therefore, the Office of the State Courts Administrator doesn't have information available regarding the number of offenses of this law. **Oversight** assumes this could result in an increase in fine revenue if first offenders have been paying less than a \$300 fine or if second offenders (who potentially could have received jail time and not had a fine prior to this bill) were convicted. Oversight assumes this additional fine revenue would go to local school districts. Therefore, Oversight will reflect a potential increase in fine revenue to school districts, and a corresponding savings to the state's General Revenue Fund.

In response to other proposals regarding fine revenue, officials from **the Department of Elementary and Secondary Education (DESE)** stated 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. 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.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Savings</u> - potential savings from less money distributed to the local school districts	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0 or UNKNOWN</u>	<u>\$0 or UNKNOWN</u>
STATE SCHOOL MONEY FUND			
<u>Savings</u> - less money distributed to local school districts resulting from the potential increase in fine revenue	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<u>Cost</u> - Reduction in money transferred from the General Revenue Fund	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT TO THE STATE SCHOOL MONEY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL SCHOOL DISTRICTS			
<u>Income</u> - potential increase in fine revenue from changes to Section 303.025 regarding driving without maintaining financial responsibility	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> - decrease in funding from the State School Money Fund because fine revenue is a deduction	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<u>\$0 or UNKNOWN</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, a person who fails to maintain his or her required financial motor vehicle responsibility is punishable by a fine not to exceed \$300 for a first violation and punishable by imprisonment for a term of up to 15 days, a fine of up to \$300, or both for a second or subsequent violation. This proposal changes the punishment to a fine of \$300 for a first violation and imprisonment for a term of up to 15 days and a fine of \$500 for a second or subsequent violation.

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
Department of Public Safety
Department of Transportation
Office of the State Courts Administrator
Office of the State Public Defender
Department of Corrections
Department of Elementary and Secondary Education

NOT RESPONDING

Office of Prosecution Services



Mickey Wilson, CPA
Director
February 10, 2012