

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0567-05
Bill No.: SCS for HB 103 with SA1, SA2, SSA1 for SA4, SA5
Subject: Motor Vehicles; Roads and Highways; Cities, Towns, and Villages;
 Transportation; Transportation Department
Type: Original
Date: May 13, 2013

Bill Summary: This proposal modifies several provisions relating to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Up to \$266,560)	(Under \$100,000)	(Under \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Up to \$266,560)	(Under \$100,000)	(Under \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Road Fund	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 17 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§174.700, 174.703, 174.706, 174.709, 174.712 and 544.157 - Vehicular Traffic on College and University Campuses:

Officials from the **Department of Higher Education (DHE)** stated this proposal will have no direct, foreseeable impact on their agency.

DHE assumes granting authority to state college and university police officers to implement and enforce traffic regulations on public college and university property may result in additional revenue from fines or financial penalties assessed and received by the institutions as a result of the enforcement of those regulations. This could have a positive fiscal impact on public and colleges and universities granted this authority under the bill. DHE defers to institutions, which were included on the initial request, for the actual fiscal impact estimated by those individual entities.

Officials from the **Department of Revenue (DOR) - Motor Vehicle Bureau** assume this proposal will result in an unknown increase in convictions to be processed by the Driver License Bureau. With the increase in convictions, the number of point warning and suspension/revocation notices issued for accumulation of points will also increase.

DOR states there are no statistics available to determine how many additional convictions DOR may be required to process; however, one FTE processes 320 convictions per day. DOR assumes that a minimum of one FTE (Revenue Licensing Tech) will be needed to process the additional convictions that will result from this legislation. If the volume of convictions exceeds 320 per day, then additional FTE will be required and requested through the appropriation process.

DOR states there are no statistics available to determine the volume of telephone calls that may be received; however, one Telephone Information Operator (Revenue Processing Tech) is required to handle 100 calls per day. DOR assumed that a minimum of one FTE will be needed to answer the additional phone calls. If the volume exceeds 100 calls per day, additional FTE will be required and requested through the appropriation process. DOR stated that the amount of reinstatement fees collected is unknown.

Fees collected will be distributed as follows: Highway Funds - 75%, Cities - 15%, and Counties - 10%.

ASSUMPTION (continued)

Oversight assumes this section of the proposal is permissive and, for fiscal note purposes only, will assign no fiscal impact.

§ 301.301 - Stolen License Place Tabs:

Oversight assumes this section of the proposal deletes provisions allowing an applicant to receive, at no cost, up to two sets of two license plate tabs per year for the replacement of a stolen tab issued on or after January 1, 2009 with a police report corresponding with the stolen tab.

Oversight assumes this section also allows an applicant to receive, at no cost, up to two sets of two license plate tabs per year for the replacement of a stolen tab with a notarized affidavit verifying that the license plate tab or tabs were stolen.

DOR states in FY 2012 there were 18,288 total replacement tabs issued when the originals were stolen. 4,454 of those replacement tabs were issued at no fee when a police report was presented for stolen tabs, leaving 13,834 issued with the \$8.50 replacement fee charged.

DOR assumes that by not requiring a police report for the issuance of replacement tabs at no fee when the originals were stolen and by requiring only a notarized affidavit of such, may result in the replacement tabs issued with a fee of \$8.50 now being able to obtain replacement tabs at no fee.

DOR assume a cost of \$2,953 (\$2,412 + \$325 + \$216) in FY 2014 to provide for the implementation of the changes in this proposal.

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)

Revenue Impact

DOR assumes this proposal may result in a reduction of state revenue received from the \$8.50 replacement fee. As stated above, potentially 13,834 replacement tabs, normally assessed the replacement fee, may be issued at no fee if accompanied by a notarized affidavit.

This will result in an overall loss of \$97,991 in FY 14 (10 Months), and \$117,589 in FY 15 and FY 16 to the General Revenue Fund.

Current Replacement Tabs	18,288
Current Replacement Tabs at No Fee	- 4,454
New Tabs at no Fee	13,834
Replacement Tab Fee	x \$8.50
Projected loss	\$117,589

Oversight assumes the number of replacement tabs requested at no fee with a notarized affidavit will increase from the current free tab replacement process but vary from year to year.

Oversight assumes some taxpayers will simply pay the \$8.50 replacement fee instead of obtaining a notarized affidavit. **Oversight** will assume a loss of under \$100,000 each year from this section to General Revenue.

§ 301.449 - School Emblems on License Plates:

DOR assumes this section of the proposal relates to current holders of out-of-state college specialty license plates. This legislation would allow these individuals to continue renewing their specialty license plates.

DOR assumes a cost of \$1,531 (\$1,206 + \$325) in FY 2014 to provide for the implementation of the changes in this section of the proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of legislative activity each year.

Oversight assumes DOR could absorb the costs related to this section of the proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

ASSUMPTION (continued)

§ 302.341 - Revenue from Traffic Violations:

In response to a similar proposal from this year, HB 552, the following responded.

Officials at the **Department of Elementary and Secondary Education (DESE)** assumed 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.

DESE assumed 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 districts, in which case the districts will not see a decrease in the amount of funding received through the formula.

DESE assumed any increase in fine money distributed to the hold-harmless districts will simply be additional funding to the district. An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Oversight assumes any decrease in foundation formula funds to local school districts resulting from this proposal would be distributed through the formula to other school districts resulting in no savings to the foundation formula or other state funds.

Officials from the **Special School District** assumed an unknown but minimal positive impact on the district which currently receives approximately \$30,000 in fines and forfeitures per year.

Officials from the **Parkway School District** assumed this proposal would result in unknown additional revenue to the district.

Officials from the **City of Kansas City** assumed the city will incur costs of approximately \$25 per year in reporting the additional information on traffic violation revenue from this proposal to be included on the Comprehensive Annual Financial Report submitted to the State Auditor.

Oversight assumes the City of Kansas City can absorb any potential costs arising from this proposal.

ASSUMPTION (continued)

Officials from the **Springfield Police Department** stated their current general revenue fund is around \$70 million, 20% of annual operating revenue is \$14 million. Revenue from moving traffic violations is approximately \$1 million per year. The department assumes this proposal would have no fiscal impact on the City of Springfield.

Oversight assumes any additional funding from this proposal on an affected school district would be offset by an equal decrease in funding received through the foundation formula unless the affected school district is a hold harmless district.

Oversight assumes any hold harmless school district may receive an unknown but minimal increase in funding if the political subdivision in which it is located receives more than 30% of their annual operating revenues from traffic fines.

Oversight has no way of knowing how many political subdivisions receive more than 30% of their annual general operating revenues from traffic fines and have a hold harmless school district, for the purpose of the fiscal note, **Oversight** will assume no impact or a positive unknown less than \$100,000 to local hold harmless school districts.

§§ 302.700, 302.720, 302.735, 302.740, and 302.755 - Uniform Commercial Driver's License Act:

DOR assumes a cost of \$152,494 (\$29,700 + \$4,880 + \$28,000 + \$89,914) in FY 2014 to provide for the implementation of the changes in this section of the proposal.

OA-ITSD staff will need to make programming changes to the Missouri Driver License (MODL) system. The level of effort is calculated at 400 hours @ \$27.05 per hour = \$10,820 for OA-ITSD.

Oversight assumes this expense is reflected on page 8 of the fiscal note.

§§ 304.013 and 304.032 - All-Terrain Vehicles on Streets:

Oversight assumes this section of the proposal would permit a municipality to adopt an ordinance or resolution that allows all-terrain vehicles or utility vehicles to operate on the streets and highways under its jurisdiction. **Oversight** assumes this section would result in no direct fiscal impact on state or local government funds.

ASSUMPTION (continued)

§ 304.120 - Yellow and Red Light Traffic Signals:

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this section of the proposal would specify that a vehicle cannot be restricted from a street intersection during a red light, if the vehicle began the crossing while the light was still yellow.

BAP state this section is not anticipated to impact total state revenues.

Oversight assumes this section of the proposal would result in an unknown loss of fine revenue to local political subdivisions.

§ 304.180 - Vehicles Hauling Recyclable Waste for Animal Feed and Hauling of Livestock:
In response to a similar proposal from this year, HB 1007, the following responded.

Officials from the **Department of Transportation (MODOT)** stated these sections of the proposal would increase weight allowances and result in increased damage to bridges. Additionally, it would reduce the life expectancy of some of MODOT's bridges.

Officials from the **Department of Natural Resources (DNR)** assumed this section of the proposed legislation is not intended to result in the permitting of recycling centers managing source separated or commingled recyclable materials which are currently permit exempt.

DNR anticipates no fiscal impact to the department resulting from this section of the proposal.

Since there is no way to quantify the dollar amount of this section of the proposal, **Oversight** will assume an unknown negative impact to the Road Fund.

§ 304.820 - Texting and Cell Phone use While Driving a Commercial Vehicle:

DOR assumes this section of the proposal amends existing provisions for hand-held mobile phone and electronic texting to prohibit such use while operating a commercial motor vehicle (CMV), so as to comply with federal requirements.

DOR assumes a total cost of \$166,560 (\$152,494 + \$10,820 + \$3,246) in FY 2014 to provide for the implementation of the changes in this proposal.

ASSUMPTION (continued)

The proposed changes in this section will require DOR to:

- Include CDL permit holders in the disqualification routine;
- 'Stack' most CDL disqualifications;
- Include texting and hand-held mobile telephone convictions (commercial motor vehicles only) in the serious disqualification routine;
- Update Procedures, Correspondence letters and Department's website;
- Training of staff;
- Review of administrative rules for possible revisions.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year.

Oversight assumes DOR could absorb some of the personal service cost related to this proposal.

Oversight assumes some of DOR's anticipated work hours could be performed during the normal work day and not create an additional expense to their budget; therefore, Oversight will range the cost to DOR as up to \$166,560.

§ 307.400 - Covered Farm Vehicles:

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume this section of the proposal exempts covered farm vehicles from those motor or commercial motor vehicles that are required to be placarded for hazardous materials under federal law when transporting property in intrastate commerce.

BAP assumes no impact on total state revenues and defers to DOR and MODOT for the fiscal impact of this section.

DOR assumes the proposed changes will require modification to the Missouri Commercial Driver License Manual (web and printed version), modification to web site information related to commercial driver licensing exemptions, if applicable, and drafting and filing of changes to State Code of Regulations related to farm related services.

DOR assumes a cost of \$5,260 (\$1,020 + \$4,240) in FY 2014 to provide for the implementation of the changes in this proposal.

ASSUMPTION (continued)

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.

§§ 1 -7 - Land Conveyances:

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assume these sections allow multiple land conveyances from the State of Missouri to various cities and counties. To the extent that the state receives proceeds from these sales, there will be an increase to general and other funds along with total state revenues.

Oversight assumes these sections allow the Governor to sell, transfer, grant, convey, remise, release and forever quitclaim the state of Missouri's interest in certain land conveyances located in various counties throughout the state to MODOT.

Oversight assumes the state would convey the property at a fair market value. Therefore, Oversight will assume the conveyance of land would not result in a change of net assets to the state.

Bill as a Whole:

Officials from the **Office of the Secretary of State (SOS)** state 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 SOS 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 recognizes 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 the office can sustain with the 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)

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.

Officials from the **Department of Agriculture, Department of Conservation, Department of Insurance, Financial Institutions and Professional Registration, Department of Mental Health, Department of Labor and Industrial Relations, Office of State Courts Administrator, Administrative Hearing Commission, State Public Defender's Office, Missouri Veterans Commission, Joint Committee on Administrative Rules, Office of Administration - Division of Facilities Management Design and Construction, University of Missouri, St. Louis County Board of Elections, Linn State Technical College, Missouri State University, and Metropolitan Community College** each assume the proposal would not fiscally impact their respective agencies.

SA 1 - Automated traffic enforcement system;

Oversight assumes this amendment would not create a fiscal impact.

SA 2 - Scrap metals;

In response to a similar proposal from this year (SB 102), Oversight received the following responses:

Officials from the **Department of Public Safety - Missouri Highway Patrol, Office of the State Courts Administrator, Office of Prosecution Services, and the Office of the State Public Defender** each assumed the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Corrections (DOC)** stated penalty provisions for violations, the component of the bill to have potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY11 average of \$5.03 per offender, per day or an annual cost of \$1,836 per offender).

ASSUMPTION (continued)

In summary, supervision by the DOC through probation 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.

In response to a similar proposal from 2011 (HB 729), officials from the **Jefferson City Police Department, Springfield Police Department, Boone County Sheriff's Department, and the Columbia Police Department** each assumed the proposal would have no fiscal impact on their respective law enforcement agencies.

SS1 for SA 4 - Percentage of revenue political subdivisions can collect;

Oversight assumes this change would not change our estimated fiscal impact as stated on pages 6 and 7 of \$0 or Under \$100,000 to certain school districts.

SA 5 - Endangerment of an emergency responder;

In response to a similar proposal from this year, SB 282, Oversight received the following responses:

Officials from the **Department of Public Safety - Missouri Highway Patrol, Boone County Sheriff's Department** and **Office of the State Courts Administrator** each assumed the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Prosecution Services** assumed there will be no measurable fiscal impact from this proposal. 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.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** could not assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of endangerment of emergency personnel or emergency responder - a new Class C misdemeanor.

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. .

ASSUMPTION (continued)

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

In response to a similar proposal from last year (SB 642), officials from the **Department of Transportation** assumed the proposal would have no fiscal impact on their organization.

Officials from the **Department of Revenue - Driver License Bureau** estimated 40 hours of system testing for on Administrative Analyst I at \$24 per hour or \$960.

Officials from the **Department of Revenue - Information Technology (OA-ITSD)** estimated 40 hours for 1 full time employee valued at \$1,082 to make the IT changes that would be necessary for this proposal.

In summary, DOR assumed a cost of \$2,042 (\$960+ \$1,082) in FY 2014 to provide for the implementation of the changes in this proposal.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Loss</u> - DOR	(Under	(Under	(Under
§ 301.301 - Replacement Tab Fee	\$100,000)	\$100,000)	\$100,000)
<u>Costs</u> - DOR			
§ 304.820 - Administrative changes to prepare for updates in the proposal	Up to <u>(\$166,560)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	Up to <u>(\$266,560)</u>	(Under <u>\$100,000)</u>	(Under <u>\$100,000)</u>
ROAD FUND			
<u>Cost</u> - MoDOT			
§§ 304.180 - Expense of upkeep on damaged bridges	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE ROAD FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
LOCAL GOVERNMENT FUNDS			
<u>Revenue</u> - Hold Harmless Schools	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
§ 302.341 - Excess traffic fines	less than \$100,000	less than \$100,000	less than \$100,000
<u>Loss</u> - Political Subdivisions			
§ 304.120 - Reduced Red Light Traffic Fines	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

§ 304.180 - Vehicles Hauling Recyclable Waste for Animal Feed:

This section of the proposal could assist small business recyclers and haulers. However, increased weight restrictions on bridges as well as wear and tear on the state's highway and bridge systems could have a negative impact on small businesses delivering or receiving goods.

FISCAL DESCRIPTION

§ 301.301 - Stolen License Place Tabs:

This proposal modifies the process for obtaining free license plate tabs. Under current law, any person replacing a stolen license plate tab may receive at no cost up to two sets of two license plate tabs per year when the application for the replacement tab is accompanied with a police report. This proposal replaces the police report with a notarized affidavit so that a person may receive up to two sets of license plate tabs per year when the application for the replacement tab is accompanied by a notarized affidavit verifying that the tab or tabs were stolen.

§ 302.341 - Revenue from Traffic Violations:

The proposal further removes the qualification that the traffic violation revenue limitation only apply to violations occurring on state highways. The proposal makes the revenue limitation applicable to all traffic violations occurring within the described political subdivisions regardless of highway type. The proposal makes the law applicable to amended charges from any traffic violation and lowers the 35% threshold to 30%.

§ 304.120 - Yellow and Red Light Traffic Signals:

This proposal specifies that a vehicle cannot be restricted from a street intersection during a red light, if the vehicle began the crossing while the light was still yellow.

§ 304.180 - Vehicles Hauling Recyclable Waste for Animal Feed and Hauling of Livestock:

This section of the proposal extends the current allowance permitting vehicles hauling solid waste to exceed weight limitations to vehicles hauling recyclable waste for use in the production of animal feed.

FISCAL DESCRIPTION (continued)

§ 304.820 - Texting and Cell Phone use While Driving a Commercial Vehicle:

Under current law, texting while driving is limited to persons under the age of 21 and excludes the majority of commercial driver's license holders.

Under this proposal, a person convicted of texting while operating a commercial motor vehicle or convicted of using a hand-held mobile telephone while driving a commercial motor vehicle, may have his or her commercial driver's license disqualified.

Under the proposal, texting while driving and using a hand-held mobile telephone while driving a commercial motor vehicle has been defined as a serious traffic violation.

This proposal makes it an infraction to operate a moving commercial motor vehicle while using a hand-held mobile telephone or text while operating a moving commercial motor vehicle.

SOURCES OF INFORMATION

Department of Revenue
- Motor Vehicle Bureau
Department of Higher Education
Department of Elementary and Secondary Education
Office of Administration -
Division of Budget and Planning
Division of Facilities Management Design and Construction
Department of Transportation
Department of Natural Resources
Department of Conservation
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Agriculture
Department of Labor and Industrial Relations
Office of State Courts Administrator
Administrative Hearing Commission
State Public Defender's Office
Office of Secretary of State
Joint Committee on Administrative Rules
Missouri Veterans Commission
Springfield Police Department
University of Missouri
Linn State Technical College
Missouri State University
Metropolitan Community College
Special School District
Parkway School District
City of Kansas City
St. Louis County Board of Elections



Ross Strope
Acting Director
May 13, 2013