

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5024-03  
Bill No.: HCS for SB 696  
Subject: Motor Vehicles; Licenses - Motor Vehicle; Roads and Highways; Transportation;  
 Crimes and Punishment; Revenue, Department of  
Type: Original  
Date: May 8, 2014

Bill Summary: This proposal changes the laws regarding motor vehicles.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Less than \$100,000) to Less than \$100,000	(Less than \$100,000) or Could exceed \$100,000	(Less than \$100,000) or Could exceed \$100,000
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Less than \$100,000) to Less than \$100,000</b>	<b>(Less than \$100,000) or Could exceed \$100,000</b>	<b>(Less than \$100,000) or Could exceed \$100,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Highway Fund	(Less than \$100,000) to Unknown Less than \$100,000	(Less than \$100,000) to Unknown Less than \$100,000	(Less than \$100,000) to Unknown Less than \$100,000
State School Moneys*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Less than \$100,000) to Unknown Less than \$100,000</b>	<b>(Less than \$100,000) to Unknown Less than \$100,000</b>	<b>(Less than \$100,000) to Unknown Less than \$100,000</b>

\* Offsetting savings and losses in Fiscal Years 2016 and 2017

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 14 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Political Subdivisions*</b>	<b>Could exceed \$100,000</b>	<b>(Could exceed \$100,000) to Unknown Could exceed \$100,000</b>	<b>(Could exceed \$100,000) to Unknown Could exceed \$100,000</b>

\* Offsetting Revenues and Losses in Fiscal Years 2016 and 2017

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol** and the **Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

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

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, 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 their office can sustain with their core budget. Therefore, 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.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

### §301.174

Officials from the **Department of Corrections** assume the proposal will have no fiscal impact on their organization.

### Administrative Impact

Officials from the **Department of Revenue (DOR)** state this legislation creates the "Korea Defense Service Medal" specialty license plate. It will cost an applicant \$15 and application shall

be made on a form approved by the Director of Revenue. DOR may work with an organization which represents the interests of persons receiving the medal when formulating the design.

ASSUMPTION (continued)

The following procedures will need to be implemented for the changes in this proposal:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$840 in FY '15.
- The Application for Military Personalized License Plates (DOR-4601) will need to be revised to include a new plate type. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$840 in FY '15.
- The DOR web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$230 in FY '15.
- DOR would incur 20 overtime hours for a Revenue Processing Tech II to work with military personnel on the design of the plate and finalizing the design at a cost of \$450 in FY '15.
- DOR would incur 20 overtime hours for a Revenue Processing Tech II to set up the new specialty plate within Motor Vehicle Bureau systems and testing at a cost of \$450 in FY '15.
- DOR would incur 16 hours of programming the new specialty plate type and facilitate the process through the Titling and Registration Internet Processing System. At a cost of \$437 in FY '15.

In summary, DOR assumes a cost of \$3,247 ( $\$840 + \$840 + \$230 + \$450 + \$450 + \$437$ ) in FY 2015 to provide for the implementation of the administrative changes in this proposal.

Set-up, Mailing & Plate Manufacturing Cost:

Set-up:

DOR is charged \$215 for the initial set-up of a new specialty plate for passenger, truck, RV, disabled and motorcycle plates. This is a one-time fee that will be charged upon passage of this bill in FY '15

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ASSUMPTION (continued)

Mailing:

It is unclear as to how many qualified applicants would apply for these military license plates. DOR has made the assumption that there would be 10 applications per year.

It currently costs DOR, on average, \$5.55 to ship a box of 10 sets of plates to license offices once they have completed the manufacturing process through MVE.

- DOR assumes the cost to ship 1 box of plates to contract offices in various regions across the state would be \$5 in FY '15 (10 months), \$6 in FY '16, and \$6 in FY '17.

Note: \$5.55 is an average cost, as the cost may decrease or increase based on the weight of the package, the area to which it is being sent, and how many boxes are being sent at one time.

DOR would also incur an additional postage cost for mailing notifications to those applicants notifying them their plates are ready for pickup at the respective license office.

With 10 applications, it would cost \$4 in FY '15 (10 months), \$5 in FY '16, and \$5 in FY '17 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.45).

Plate Manufacturing:

DOR also pays \$3.50 per flat plate (all specialty and personalized license plates are flat plates).

The cost of the plate is taken from Highway Funds. Therefore, DOR assumes a cost to the Highway Fund of \$58 (10 applicants x \$3.50 per plate x 2 plates per vehicle - all at 10 months of the first year because of the August 28, 2015 effective date) in FY 2015, \$72 in FY 2016, and \$74 in FY 2017 (using a 2.5% cost increase in fiscal years 2016 and 2017).

In summary, DOR assumes a cost of \$3,247 (\$2,810 + \$215 + \$5 + \$4 + \$58) in FY '15, \$83 (\$6 + \$5 + \$72) in FY '16 and \$85 (\$6 + \$5 + \$74) in FY '17 to provide for personnel changes, set-up, mailing and plate manufacturing cost.

**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

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funding through the appropriation process.

ASSUMPTION (continued)

Revenue Impact

Assuming 10 applications per year there would be an increase in revenue from the \$15 specialty plate fee of \$125 in FY `15 (10 months) and \$150 in FY `16 and FY `17 to the General Revenue Fund.

Since it is unknown how many applications will be received for this plate, **Oversight** will estimate an increase in revenue of “ Less than \$100,000”. Oversight will also estimate a cost to the General Revenue and the Highway Fund of “ (Less than \$100,000)”. For fiscal years 2016 and 2017, Oversight assumes the revenue into the General Revenue Fund will at least cover the estimated costs from the proposal, resulting in a positive “Less than \$100,000” estimated net effect to the General Revenue Fund. For FY 2015, Oversight assumes the start-up costs incurred by DOR might exceed the specialty plate fee revenue if the response to the proposal is less than expected. Therefore, Oversight will range the fiscal impact in FY 2015 from a net cost of under \$100,000 to a net gain of under \$100,000.

**§302.535**

Officials from the **Office of the State Courts Administrator** assume this section of the proposal will have no fiscal impact on their agency.

Officials from the **Department of Revenue (DOR)** assume the filing of a petition for trial de novo shall result in a stay of the suspension or revocation and the Department shall issue a temporary driving permit which shall be valid until a final order is issued by the court following the date of the disposition of the petition for a trial de novo.

Administrative Impact

The proposed changes will require:

- System modifications regarding the changes to administrative alcohol suspensions and revocations;
- Draft updates to website information on Restricted Driving Privileges (RDP) and Temporary Driving Privileges (TDP);

- Updating office procedures and additional training of personnel.

ASSUMPTION (continued)

FY 15

Administrative Analyst I-	160 hrs @ \$26 per hr = \$4,160
Management Analyst Specialist II	160 hrs @ \$24 per hr = \$3,840
Revenue Band Manager -	160 hrs @ \$32 per hr = \$5,120
Update web page - Administrative Analyst III	10 hrs @ \$23 = \$230
Update forms - Management Analysis Spec I	40 hrs @ \$22 = \$880
Update procedures - Management Analysis Spec I	40 hrs @ \$22 = \$880
OA-ITSD Program changes	160 @ \$27.30 = \$4,368
	<b>Total = \$19,478</b>

**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.

§304.351

Officials from the **Department of Elementary and Secondary Education (DESE)** 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. 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 paid 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 the next year, 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 2016 and 2017, because any increase in fees distributed to

schools increases the deduction in the foundation formula the following year.

Officials from the **Office of the State Courts Administrator** state the proposed legislation  
ASSUMPTION (continued)

would increase the fine for failure to yield the right-of-way. According to the Fine Collection Center, as well as the total number of charges, the net average for the past five years of failure to yield the right-of-way violations with a guilty disposition is 3,127. It is unknown how much additional revenue the increase in fines would produce.

Since it is unknown how much additional revenue the increase in fines would produce, for fiscal note purposes only, **Oversight** will estimate revenue as: 'Could exceed \$100,000.'

Officials from the **Department of Revenue (DOR)** assume this proposal 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.

#### Administrative Impact

#### **Driver License Bureau (DLB):**

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

**Oversight** assumes, based on information provided by the Office of State Courts Administrator, the average number of court orders (3,127) will not result in a significant increase in processing duties.

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.

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

ASSUMPTION (continued)

Administrative Analyst -	80 hrs @ \$25 per hr	\$2,000
Management Analyst Specialist II -	80 hrs @ \$24 per hr	<u>\$1,920</u>
		<b>Total = \$3,920</b>

Update web page - Administrative Analyst III -	10 hrs @ \$22 = \$220
Update forms – Management Analysis Spec I -	40 hrs @ \$20 = \$840
Update procedures – Management Analysis Spec I -	40 hrs @ \$20 = \$840
	<b>Total = \$1,910</b>

**OA-ITSD Impact:**

The following changes will need to be made:

- MODL – 60 hours;
- New compliance screen;
- Modify existing entry screen; and
- New compliance code for driver improvement program.

The value of the level of effort is calculated on 60 FTE hours @ \$27.05 = \$1,623.

In summary, DOR assumes a cost of \$7,468 (\$3,920 + \$1,910 + \$1,638) in FY 2015 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.

DOR states reinstatement fees collected is unknown. Fees collected will be distributed 75% Highway Funds, 15% Cities, and 10% Counties.

Since it is unknown how much additional revenue the reinstatement fees collected would produce, for fiscal note purposes only, **Oversight** will estimate revenue as: Unknown less than \$100,000.

ASSUMPTION (continued)

**§578.120**

Officials from the **Department of Economic Development** assume this section of the proposal will have no fiscal impact on their organization.

Officials from the **Department of Revenue (DOR)** state the following procedures will need to be implemented for the changes in this proposal:

- Procedures will need to be revised by a Management Analyst I requiring 40 hours at a cost of \$840 in FY `15.
- The Dealers Operating Manual will need to be revised by a Management Analyst I requiring 40 hours at a cost of \$840 in FY `15.

In summary, DOR assumes a cost of \$1,680 (\$840 + \$840) in FY 2015 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.

**Oversight** assumes allowing motorcycle sales on Sunday would change the date of some sales, but would not materially affect the amount of sales. Therefore, Oversight assumes there would be no impact on sales or use tax collections.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
	(10 Mo.)		
<b>GENERAL REVENUE</b>			
<u>Revenue</u> - Department of Revenue (DOR) Specialty plate fees (§301.174)	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Savings</u> - Reduced transfers to State School Moneys Fund (§304.351)	\$0	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - DOR - Processing costs for specialty plates (§301.174)	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Less than \$100,000) to Less than \$100,000</u></b>	<b><u>(Less than \$100,000) or Could exceed \$100,000</u></b>	<b><u>(Less than \$100,000) or Could exceed \$100,000</u></b>
<b>STATE SCHOOL MONEYS FUND</b>			
<u>Savings</u> - Reduced distributions to local school districts (§304.351)	\$0	Could exceed \$100,000	Could exceed \$100,000
<u>Losses</u> - Reduced transfers in from General Revenue Fund (§304.351)	<u>\$0</u>	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>



	<u>Could exceed</u> <u>\$100,000</u>	<u>(Could exceed</u> <u>\$100,000) to</u> <u>Unknown</u>	<u>(Could exceed</u> <u>\$100,000) to</u> <u>Unknown</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>		<u>Could exceed</u> <u>\$100,000</u>	<u>Could exceed</u> <u>\$100,000</u>

FISCAL IMPACT - Small Business

This proposal could have a positive fiscal impact on any dealership that wants to sell motorcycles, ATV's, motorized bicycles, recreational off-highway vehicles, utility vehicles and personal watercrafts on Sunday.

FISCAL DESCRIPTION

**§301.174**

This section allows a person who has been awarded a Korea Defense Service Medal to obtain a special license plate.

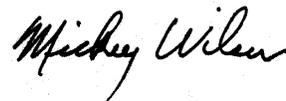
**§304.351**

Currently, a person who causes physical injury or death to another person by failing to yield the right-of-way is subject to additional monetary penalties and driver's license suspensions. This act increases the maximum penalty for a person who causes physical injury to a person by failing to yield the right-of-way from \$200 to \$1,000, and requires a minimum penalty of \$500 to be assessed. In the case of serious physical injury this act increases the maximum penalty from \$500 to \$3,000, and requires a minimum penalty of \$1,000 to be assessed. The act further makes the 90-day suspension period mandatory rather than discretionary in the case of serious physical injury. This act increases the maximum penalty for a person who causes the death of another person by failing to yield the right-of-way from \$1,000 to \$10,000, and requires a minimum of \$5,000 to be assessed. The act also requires the court to issue an order of suspension for a minimum of 6 months up to one year. In addition, the person who causes a fatality by failing to yield the right-of-way must successfully complete a driver-improvement 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

Department of Revenue  
Department of Public Safety  
    Missouri State Highway Patrol  
Department of Transportation  
Office of the State Courts Administrator  
Department of Elementary and Secondary Education  
Office of Secretary of State  
    Administrative Rules Division  
Joint Committee on Administrative Rules  
Department of Corrections  
Department of Economic Development



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