

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0146-01
Bill No.: SB 30
Subject: Licenses - Motor Vehicle; Licenses - Driver's; Revenue Department; Law Enforcement Officers and Agencies; Motor Vehicles
Type: Original
Date: February 9, 2009

Bill Summary: Requires certain motorists who have had their driver's licenses suspended or revoked to display restricted license plates

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$0	(\$471,178)	(\$905,140)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$471,178)	(\$905,140)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Highway Fund	\$0	\$595,250	\$1,192,500
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$595,250	\$1,192,500

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	0 FTE	6 FTE	6 FTE
Total Estimated Net Effect on FTE	0 FTE	6 FTE	6 FTE

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 2010	FY 2011	FY 2012
Local Government	\$0	\$168,750	\$337,500

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Office of the Director** and **Missouri State Highway Patrol** state this proposal will have no fiscal impact on their respective agencies.

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 proposal. 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.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue (DOR)** assume that in order to implement this legislation, The Missouri Driver License System and the Motor Vehicle General Registration System will require programming for DOR to determine plates that are solely or jointly owned. These systems are not compatible and are not linked with each other at this time.

The language in this section was offered during last year's session in SB 761 (3509-01). The response issued to the fiscal note by DOR was "No Impact". At that time DOR was working under the assumption that the Integrated Motor Vehicle and Driver License system (IMVDL) would be implemented. The IMVDL system will not be fully implemented prior to the effective date of the legislation.

DOR will need to:

- Revise policies, procedures, and the DOR website;
- Program changes to GRS (new suspension codes, new type of restricted plate and new impoundment notices);
- Update MODL to feed the violation information to GRS; and,
- Update TRIPS to be able to account for surrender of the applicant's regular plates and their issuance and surrender of the restrictive plates as well as the surrender of the restricted plates.

ASSUMPTION (continued)

ADMINISTRATIVE IMPACT

The responses provided by DOR are based on FY08 statistics of approximately 60,000 licensees that are revoked or disqualified.

DOR is assuming the restricted plates will be issued at all contract offices and not strictly through the Central Office. DOR will require funding in the amount of \$307,980, \$634,439, and \$653,472 in fiscal years FY10 through FY12 respectively to stock all contract offices with 99,000 sets of restrictive license plates each year (90,000 + 10% extra for stock), year tabs, month tabs as well as 90,000 additional sets of regular plates and year tabs to replace the restricted plates once the applicant's drivers license is reinstated (DOR assumes 1.5 vehicles/sets of plates per applicant.)

The restrictive plates will be a generic embossed plate that will need to be issued both month and year tabs to avoid stocking all offices with restrictive plates that expire each month of the year. These plates will have a special configuration.

Oversight assumes expenses to be incurred with stocking the contract license offices will not begin until January, 2010 in FY 2011.

DOR will also require funding in the amount of \$153,539, \$245,532 and \$252,896 for the three fiscal years respectively for FTE (and related equipment/expenses) to process the suspensions and reinstatements, as well as respond to related telephone and email inquiries. Approximately one Revenue Licensing Tech can process 80 record searches a day, equating to 4 FTE's for the estimated 60,000 record searches that would need to be done and two Telephone Information Operators, one for Motor Vehicle Division and one for Drivers License Bureau to process related telephone calls/emails.

Oversight assumes personal services will not be needed until January, 2010, so expenses for FTE will be shown for 6 months beginning FY 11. **Oversight** has, for fiscal note purposes only, changed the starting salary for the requested staff to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

DOR assumes that Missouri Vocational Enterprises will pick up the surrendered license plates during the regular plate delivery cycle that is in rotation currently.

ASSUMPTION (continued)

DOR assumes that one letter per person will be sent listing all vehicles that are to be issued restricted license plates. Funding in the amount of \$13,890, \$286,613, and \$29,472 is required for the three fiscal years respectively to cover the cost to issue 60,000 letters advising affected applicants to surrender their plates and obtain restrictive plates in accordance with the plate impoundment order for paper, envelopes, and postage.

Oversight assumes no mailings will occur until the implementation date of January, 2010.

REVENUE IMPACT

DOR assumes an increase in revenue from the \$17 (per set) replacement plate fee that applicants whose drivers license has been revoked or disqualified for one year or more must pay to obtain the restrictive license plates. During FY'08, there were 60,000 such licensees. This proposal requires the surrender of all registrations an individual owns or co-owns. For these calculations DOR assumes 1.5 vehicles per individual for a total of 90,000 vehicles that will need to be issued a set of restricted plates.

The replacement plate fee charge of \$8.50 per plate \$17 per set is distributed as follows:

\$1.00 of each plate goes to highway funds (\$2 per set).

The remaining \$7.50 (\$15 per set) is distributed:

- 75% to State Roads
- 15% to cities
- 10% to counties

Oversight assumes to revenues from fees will not be realized until January, 2010.

	FY 11 (6 months)	FY 12
Highway Fund	\$595,250	\$1,192,500
Cities	\$101,250	\$202,500
Counties	\$67,500	\$135,000
	\$764,000	\$1,530,000

ASSUMPTION (continued)

The impoundment of vehicles solely or jointly registered by a person that is revoked or denied for one year or greater is figured at 60,000 per year. Impoundment notices sent, envelopes used and postage from January 2010 to June 2010 is 30,000 notices as the period covered is only 6 months.

The orders to be sent to law enforcement to secure the possession of the license plates will be reported electronically.

The **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing 4 existing CIT III's for 2 months and 2 CIT III's for 12 months at a rate of \$4,441/mo for a total cost of \$142,112. ITSD DOR estimates the IT portion of this request can be accomplished within existing resources; however; if priorities shift, additional FTE/overtime would be needed to implement.

Officials from the following local law enforcement agencies state the proposal will have no fiscal impact on their respective departments: **Boone County Sheriff; Jefferson City Police;** and, **Springfield Police.**

<u>FISCAL IMPACT - State Government</u>	FY 2010	FY 2011 (6 Months)	FY 2012
GENERAL REVENUE			
<u>Cost - Department of Revenue -</u>			
Restricted license plates			
Personal Services (6 FTE)	\$0	(\$69,006)	(\$146,417)
Fringe Benefits	\$0	(\$33,558)	(\$71,203)
Expenses and Equipment	<u>\$0</u>	<u>(\$37,131)</u>	<u>(\$5,576)</u>
Total Cost Personal Services	\$0	(\$139,695)	(\$223,196)
<u>Other Costs</u>			
Letters/envelopes/postage	\$0	(\$14,307)	(\$29,472)
Restricted license plates	\$0	(\$152,910)	(\$314,087)
Month Tabs - Restricted	\$0	(\$8,668)	(\$17,855)
Year Tabs - Restricted	\$0	(\$8,668)	(\$17,855)
Reinstated Plates	\$0	(\$139,050)	(\$286,443)
Reinstated Tabs	<u>\$0</u>	<u>(\$7,880)</u>	<u>(\$16,232)</u>
Total Other Costs		(\$331,483)	(\$681,944)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$471,178)</u>	<u>(\$905,140)</u>
Estimated Net FTE Change for General Revenue	0 FTE	6 FTE	6 FTE
HIGHWAY FUND			
<u>Income - Department of Revenue -</u>			
Restricted license plate fees	<u>\$0</u>	<u>\$595,250</u>	<u>\$1,192,500</u>
ESTIMATE NET EFFECT ON HIGHWAY FUND	<u>\$0</u>	<u>\$595,250</u>	<u>\$1,192,500</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010	FY 2011 (6 Months)	FY 2012
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities and Counties - Restricted license plate fees	<u>\$0</u>	<u>\$168,750</u>	<u>\$337,500</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$168,750</u>	<u>\$337,500</u>

FISCAL IMPACT - Small Business

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

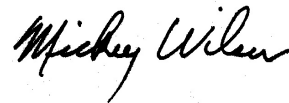
FISCAL DESCRIPTION

Under this proposed legislation, any person whose driver's license has been revoked or disqualified for a period for a period of one year or greater shall immediately surrender his or her current license plates to the director of the Department of Revenue for destruction. The person shall be issued a set of restricted license plates that shall bear a special series of numbers or letters so as to be readily identified by the highway patrol and other law enforcement officers. The restricted license plates shall be displayed on the motor vehicle or motor vehicles registered solely or jointly in the person's name for the period of the revocation, denial, or disqualification. The letters and numbers on the restricted license plates shall be codes or configured in a manner so as to be readily identified by law enforcement. Any vehicle acquired by the applicant during the period of restriction shall display the restricted license plates.

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
 Office of the Director
 Missouri State Highway Patrol
Office of Secretary of State
 Administrative Rules Division
Local Law Enforcement
 Jefferson City Police Department
 Boone County Sheriff's Department
 Springfield Police Department



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Director
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