

12COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0870H.09C  
Bill No.: HCS for SS for SCS for SB 4  
Subject: Transportation; Motor Vehicles; Insurance - Automobile; Law Enforcement  
Officers and Agencies; Revenue, Department of; Commerce and Insurance,  
Department of  
Type: Original  
Date: April 27, 2021

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Bill Summary: This proposal modifies provisions relating to transportation.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
General Revenue*	(\$884,682)	Could exceed (\$2,234,510 to \$15,518,469)	Could exceed (\$2,262,934 to \$15,546,893)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$884,682)</b>	<b>Could exceed (\$2,234,510 to \$15,518,469)</b>	<b>Could exceed (\$2,262,934 to \$15,546,893)</b>

\*FY 2022 fiscal impact is the estimated DOR-ITSD cost for building and implementing a system, as well as other ITSD changes for Section 303.420 to 303.430. Oversight assumes an implementation date of January 1, 2023 for the new system; therefore we have reflected 6 months of DOR impacts in FY 2023.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Highway Fund	\$5,000	\$55,880	\$106,760
Missouri Medal of Honor Fund*	\$0	\$0	\$0
Motor Vehicle Administration Technology Fund	Could exceed \$5,416,667 to \$27,083,333	Could exceed \$6,500,000 to \$32,500,000	Could exceed \$6,500,000 to \$32,500,000
Motor Vehicle Financial Responsibility Verification and Enforcement Fund**	\$0	Less than \$35,400 to \$177,100	Less than \$70,800 to \$354,200
State Road Fund	(\$534,524)	(\$641,429)	(\$641,429)
Water Patrol Division Fund***	More or less than \$5,353,008	More or less than \$6,295,145	More or less than \$5,904,940
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>More or less than \$10,240,151 to \$31,906,817</b>	<b>More or less than \$12,244,996 to \$38,386,696</b>	<b>More or less than \$11,941,071 to \$26,414,591</b>

\*Revenue and costs net to zero.

\*\*FY 2022 fiscal impact is the estimated DOR-ITSD cost for building and implementing a system. Oversight assumes an implementation date of January 1, 2023 for the new system; therefore we have reflected six (6) months of DOR impacts in FY 2023.

\*\*\* **Oversight** assumes starting in FY 2025, there could be a reduction in the number of registrations resulting in a potential loss in revenue to the Water Patrol Fund. With the optional lifetime registration fee being three times the current fee, the State will not realize a potential overall loss of funding for nine to eleven years. Oversight used the assumption that 50 percent of all boat renewals will chose this new option. The percentage of registrations that utilize this option could vary substantially from this estimate, therefore the “More or Less than”.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</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 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
General Revenue - DOR FTE	0 FTE	1 FTE	1 FTE
Motor Vehicle Financial Responsibility Verification and Enforcement Fund – DOR FTE	0 FTE	Unknown FTE	Unknown FTE
State Road Fund	7.5 FTE	7.5 FTE	7.5 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>7.5 FTE</b>	<b>Unknown – More than 8.5 FTE</b>	<b>Unknown – More than 8.5 FTE</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government*</b>	<b>Could exceed \$5,353,008</b>	<b>Could exceed \$6,312,105</b>	<b>Could exceed \$5,938,860</b>

\*Decreased fine revenue to schools may result in an increase in the foundation formula the following fiscal year of the decrease.

## FISCAL ANALYSIS

### ASSUMPTION

§842.320, 143.1032, 227.299, 301.020 & 302.171 – Medal of Honor Designations and Fund

In response to a similar proposal from 2021 (HCS for HB 829), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

#### Section 143.1032 Medal of Honor Tax Checkoff Program

This proposal establishes a tax checkoff program for the Missouri Medal of Honor Recipients Fund. This tax checkoff program would allow taxpayers (individuals and corporations) who are eligible for a tax refund to donate part of all of their refund to the Missouri Medal of Honor Recipients Fund. Additionally, any taxpayer can choose to write a check for any amount and donate it to the Fund by including it with their tax return.

For informational purposes, the Department is including the amount collected from the current tax checkoff programs for FY 2020.

<b>Contribution Type</b>	<b>Total Amount of Contributions Requested</b>
ADOPTIVE PARENTS RECRUITMENT & RETENTION	\$3,151.00
ALS LOU GEHRIGS DISEASE TRUST FUND	\$2,059.00
AMERICAN CANCER SOCIETY HEARTLAND DIV.	\$5,230.45
AMERICAN HEART ASSOCIATION TRUST FUND	\$3,169.04
AMERICAN RED CROSS	\$2.00
ARTHRITIS FOUNDATION TRUST FUND	\$814.00
CHILDHOOD LEAD TESTING FUND	\$6,030.10
CHILDRENS TRUST FUND	\$42,733.45
ELDERLY HOME DELIVERED MEALS TRUST FUND	\$36,994.17
GATEWAY AREA DIABETES ASSN. TRUST FUND	\$1,760.00
GENERAL REVENUE FUND	\$8,178.00
KANSAS CITY TRUST FUND	\$19.00
MARCH OF DIMES TRUST FUND	\$2,368.21
MILITARY FAMILY RELIEF FUND	\$22,343.12
MUSCULAR DYSTROPHY ASSN. TRUST FUND	\$599.00
NATIONAL GUARD FOUNDATION FUND	\$208.00
NATIONAL GUARD TRUST FUND	\$8,980.47
NATIONAL MULTIPLE SCLEROSIS SOCIETY FUND	\$985.95
ORGAN DONOR PROGRAM TRUST FUND	\$12,916.77

PEDIATRIC CANCER RESEARCH FUND	\$2,714.00
SOLDIERS MILITARY MUSEUM TRUST FUND	\$37.00
VETERANS TRUST FUND	\$32,540.57
WORKERS MEMORIAL TRUST FUND	\$1,991.00
<b>Total</b>	<b>\$195,824.30</b>

It is unknown if or how much may be collected for the fund. The Department notes that any money collected from taxpayers is considered taxpayer's money and would be distributed into the required fund. The money in the fund is not considered state revenue and does not impact Total State Revenue (TSR).

This proposal allows the Department of Revenue to retain a portion of the amount collected from corporations to cover any costs for administration and handling. The Department notes it has not retained any money from existing checkoffs as they have been able to absorb the costs using existing resources.

The Department believes they can absorb the collection of this checkoff with existing resources if the amount collected remains in line with other checkoff programs.

This will require the Department to add another checkoff box on the tax returns forms and to modify the website with information about the Fund. The Department assumes it can make these changes using their existing resources.

#### Section 227.299 Road Naming Signs

This proposal requires MODOT to pay the cost of the road naming signs for any Medal of Honor recipients. They are to pay for the signs with Department of Transportation funding. This will not impact the Department of Revenue.

#### Sections 301.020 & 302.171 Collection of Missouri Medal of Honor Recipients Funds

This proposal establishes a procedure for applicants registering their vehicles or getting a driver's license to donate a \$1 to the Missouri Medal of Honor Recipients Fund. The Department is required to ask citizens if they would like to contribute at the time of their transaction. The Department is allowed to retain no more than 1% of the fee to cover administrative costs.

For informational purposes, the Department notes in FY 2020 there were 1,512,964 motor vehicles registered and 1.4 million transactions involving driver's and non-drivers licenses.

Currently the Department is required to ask all these citizens about contributing to the Blindness Education, Screening and Treatment Fund as well as the Organ Donation Fund.

Blindness Awareness Fund	\$87,822
Organ Donor Fund	\$125,644

It is unknown if or how much may be collected for the new fund. The Department notes that any money collected from taxpayers is considered taxpayer’s money and would be distributed into the required fund. The money in the fund is not considered state revenue and does not impact TSR.

The Department, per statute, is allowed to retain a 1% collection fee from this current funds but has chosen not to. The Department assumes it will not take the 1% fee from the Medal of Honor Recipients Fund as long as the donation amounts remain in line with the current programs.

Administrative Impact

Since this proposal requires that each citizen be asked about participation in the fund, the computer programs for registration and driver’s licenses will need to be programmed to ask the questions.

To implement the provisions of this section, the Department would be required to:

- Create a new fund in SAMII for the Missouri Medal of Honor Recipients Fund and define distribution requirements;
- Create a new MTAS code in the amount of \$1.00 for the new donation;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Update forms, manuals, and the Department website;
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, MEDL central application and supporting applications;
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system; and
- Train staff.

FY 2022 – Driver License Bureau

Research/Data Assistant	320hrs. @ \$15.98 per hr.	= \$5,114
Research/Data Analyst	320hrs. @ \$23.82 per hr.	= \$7,622
Administrative Manager	80 hrs. @ \$22.24 per hr.	= \$1,779
Total		\$14,515

FY 2022 – Personnel Services Bureau

Associate Research/Data Analyst 80 hrs. @ \$19.09 per hr. =\$1,527

**Total Costs** **\$16,042**

Additional form and instruction changes as well as website changes can also be expected.

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

**DOR** notes OA-ITSD services will be required at a cost of **\$36,680** in FY 2021 (386 hours x \$95 per hour).

**Oversight** does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

In response to a similar proposal from 2021 (HCS for HB 829), officials from the **Missouri Department of Transportation (MoDOT)** assumed the following regarding this proposal:

Requiring MoDOT to post links on its website to biographical information of any persons honored with designations on the state highway system would impose new tasks onto the Department. However, MoDOT anticipates being able to use existing staff time and resources to populate the data system with researched information on the existing memorials designated on the state highway system.

The fiscal impact of this legislation would be from MoDOT waiving the current participation fee for deceased Medal of Honor recipients. MoDOT charges \$4,000 for participation in the memorial highway and bridge program currently.

MoDOT notes, according to the Congressional Medal of Honor Society, 97 Missourians have been awarded the Congressional Medal of Honor, and two are alive today. There are currently four Medal of Honor memorial highways in Missouri.

**Oversight** notes the House Committee Substitute creates a fund named the Missouri Medal of Honor Fund, which is to pay for the costs of the signs as well as maintenance and repair to the signs. Therefore, Oversight assumes MoDOT will not incur any costs for these signs.



Oversight will reflect an “Unknown” amount of revenue donated to the newly created Missouri Medal of Honor Fund. Based on current donation levels indicated by DOR, Oversight assumes the amount of revenue into the new fund will be less than \$250,000.

#### §43.253 – Fees paid to the Missouri State Highway Patrol

In response to a similar proposal from 2021 (SB 429), officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** anticipated no fiscal impact. There could be a minimal amount of revenue (approximately \$5,000) to Highway, General Revenue, and Traffic Records funds.

**Oversight** notes, according to the MHP website, the cost for a copy of a Patrol-investigated traffic crash or boating accident is \$4.90 per four-page report. This proposal provides that a minimum of \$5 may be charged by the MHP for any request where the allowable fee is less than \$5.

**Oversight** notes this revenue could be split between the Highway, General Revenue, and Traffic Records Funds. However, for fiscal note purposes, Oversight will show all revenue from the provisions of this bill being deposited into the Highway Fund.

#### §§115.151, 115.160 & 115.960 – Department of Revenue - Voter Registration

In response to a similar proposal from 2021 (HB 372), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

#### Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Coordinate with the Secretary of State to develop requirements for the data and signature file specifications for election authorities;
- OA-ITSD must develop a data pull process for voter registration data collected at the time of license, permit or nondriver license issuance, including electronic signatures;
- OA-ITSD must develop a secure process that is a format compatible with the Missouri voter registration system for sending the required signature and voter registration information file to the data file for submission to the election authorities;
- OA-ITSD Test the file generation and secure transfer process to ensure all required data elements and signature are sent as required;
- Obtain format and procedure approvals from Secretary of State and others as applicable;
- Develop website information to link inquirers to the Secretary of State for information regarding the new automatic voter registration and provisions for declining automatic registration.

- Define requirements to modify the Missouri Electronic Driver License (MEDL) system to modify the voter registration application form data and signature collection to comply with electronic transmission requirements.
- Develop and initiate user acceptance testing for changes the MEDL system.
- Modify office procedures to reflect changes to voter registration application data collection.
- Obtain necessary approvals from all entities for the application and procedure changes as well as data transfer specifications.

FY 2022 – Driver License Bureau

Research/Data Assistant	320 hrs. @ \$15.98	= \$ 5,114
Research/Data Analyst	640 hrs. @ \$23.82	= \$15,245
Administrative Manager	80 hrs. @ \$22.24	= \$ 1,779
Total		= \$22,138

FY 2022 – Personnel Services Bureau

Associate Research/Data Analyst	20 hrs. @ \$19.09	= \$ 382
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**Total Costs** = **\$22,520**

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

Cost Savings (based on FY 20 volumes)

Envelopes	16,416 x @\$0.07	= \$ 1,149
Postage	16,416 x @\$0.80	= \$13,133
Motor Voter Card Stock	213,600 x @\$0.045	= \$ 9,612

Total Cost Savings FY 2022 and subsequent years = \$23,894

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the savings as provided by the DOR.

**DOR** notes OA-ITSD services will be required at a cost of **\$175,036** in FY 2022 (1,842 hours x \$95 per hour), **\$35,882** in FY 2023 and **\$36,779** in FY 2024 for ongoing support.

In response to a similar proposal from 2021 (HB 372), officials from the **Office of the Secretary of State (SOS)** assumed the proposal would have no fiscal impact on their organization.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this Office.

In response to a similar proposal from 2021 (HB 372), officials from the **Kansas City Election Board** and **Platte County Board of Elections** both assumed the proposal would have no fiscal impact on their organizations.

In response to a similar proposal from 2021 (HB 372), officials from the **St. Louis County Board of Elections** assumed this proposal would save 350 hours of work a year. At the lowest temporary employee salary, this would save them \$13,000 annually. Electronic registrations are much less labor intensive and save quite a bit of time. Temporary employees would normally be processing paper registration forms. If made electronic, they wouldn't require as many temporary employees to process these registrations.

**Oversight** notes that §115.160 states the Director of Revenue shall utilize electronic voter registration application forms and provide for secure electronic transfer of voter registration information to election authorities. As stated above by the St. Louis County Board of Elections, there would be a savings as a result of electronic registrations. Therefore, Oversight will reflect an unknown positive impact to local election authorities in the fiscal note.

#### §135.755 – Tax Credit for Ethanol

In response to a similar proposal from 2021 (SB 140), officials from the **Office of Administration – Budget & Planning Division (B&P)** stated, according to data from the [U.S. Energy Information Administration](#), Missouri consumed 7.3 million barrels of fuel ethanol in 2018. (7.3M barrels \* 42 gallons per barrel) equals 306,600,000 gallons. If all of the fuel ethanol sold fit the eligibility for the tax credit, the cost to the state could be \$15,330,000 (\$0.05\*306.6M).

This proposed legislation could reduce General Revenue (GR) and Total State Revenue (TSR) up to or could exceed (\$15,330,000) annually beginning in Fiscal Year 2023 and could impact the calculation under Article X, Section 18(e).

In response to a similar proposal from 2021 (SB 140), officials from the **Missouri Department of Revenue (DOR)** stated, starting January 1, 2022, a taxpayer that is a retail dealer that sells higher ethanol blend at their service station can claim a tax credit equal to five cents per gallon on the higher ethanol blend sold. This proposed legislation requires that the higher ethanol blend be more than 15% but less than 85% ethanol. This is the ratio of the ethanol sold generally as E85 fuel.

The U.S. Energy Information Administration reported that in 2018 (the most recent complete year of data), Missouri consumed 26.5 trillion btu of ethanol. At a conversion rate of 120,286 btu per gallon, it is estimated that Missouri used 212,826,098 gallons of fuel. This tax credit is five cents per gallon which is estimated to generate \$10,641,305 in tax.

Another report by the U.S. Energy Information Administration reported that in 2018 Missouri used 306.6 million gallons of E85 gasoline. At the five cents per gallon, it would have generated \$15,330,000.

DOR will assume this proposed legislation could generate between \$10,641,305 and \$15,330,000 in the future. This tax credit would not be filed on the returns until January 2023.

DOR states this is a new credit, primarily for business entities (corporations, maybe partnerships and S corporations and their members).

DOR does not currently collect information on the amount of gallons of ethanol sold at the retail level. DOR would need to create a form and make changes to the existing tax credit form for taxpayers to claim this tax credit. This would require form and computer changes of at least \$2,000.

DOR anticipates the need for one (1) FTE Associate Customer Service Representative for every 6,000 tax credits redeemed and one (1) FTE Associate Customer Service Representative for every 7,600 errors/correspondence generated.

For purposes of this fiscal note, Oversight assumes DOR can absorb the responsibilities of this tax credit with existing resources. Oversight provides further explanation below.

**Oversight** notes, for all tax years beginning on or after January 1, 2022, a retail dealer that sells higher ethanol blend at such retail dealer's service station is allowed a tax credit to be taken against the retail dealer's state income tax liability. The tax credit shall be equal to five cents (\$0.05) per gallon of higher ethanol blend sold. The tax credits authorized shall not be transferred, sold, or assigned. The tax credits authorized shall not be refundable. Any amount of tax credits that exceeds a taxpayer's tax liability shall be permitted to be carried forward to any of the five (5) subsequent tax years.

**Oversight** notes the State of Iowa (Iowa) provides several tax credits for biofuel sales by retailers and blenders. Two (2) of Iowa's tax credits are the E15 Plus Gasoline Promotion Tax Credit and E85 Gasoline Promotion Tax Credit. Detailed information about Iowa's Biofuel Retailers Tax Credits can be found [here](#).

Iowa's E15 Plus Gasoline Promotion Tax Credit is available to retail dealers of gasoline who sell blended gasoline that is classified as E15 Plus but not classified as E85 gasoline. Currently, Iowa's tax credit is considered seasonal; providing various amounts of credit(s) at different times of the year. From June 1 – September 15 of each year, the tax credit is awarded at \$0.10 per gallon. At all other times, the tax credit is awarded at \$0.03 per gallon.

Iowa's E85 Gasoline Promotion Tax Credit is available to retail dealers of motor fuel that sell E85. A tax credit can be claimed for each gallon of E85 sold by the retailer during the tax year. The current tax credit is calculated at \$0.06 per gallon.

Using the [State Energy Consumption Estimates – 1960 through 2018](#), published by the U.S. Energy Information Administration, Oversight compared various energy consumption estimates for Iowa and Missouri. Oversight provides the comparison below:

<a href="#">2018 - State Energy Consumption Estimates - U.S. Energy Information Administration</a>			
Iowa and Missouri	Iowa	Missouri	Iowa As a Percent of Missouri
Barrels of Fuel Ethanol	4,200,000	7,300,000	58%
Total Motor Gasoline - Including Fuel Ethanol (btu)	188,300,000,000,000	380,200,000,000,000	50%
Total Fuel Ethanol (btu)	14,800,000,000,000	25,600,000,000,000	58%
Total Energy Consumption by End - Use Sector (Transportation)	303,100,000,000,000	555,100,000,000,000	55%
Iowa As a Percent of Missouri/Topic Average			55%

**Oversight** assumes, based on the Iowa and Missouri energy consumption comparison shown above, that Iowa’s fuel ethanol operations (specific to end user consumption/transportation) could be operating at 55% capacity of Missouri’s fuel ethanol operations.

Using information included in Iowa’s Biofuel Retailers Tax Credits Program Evaluation Study (December 2019), Oversight reviewed the amount of tax credits claimed in 2016 for Iowa’s E15 Plus and E85 Promotion Tax Credit(s) to estimate the number of gallons sold by tax credit claimants and compared such estimate to the *actual* number of gallons sold:

State of Iowa Summary						
E85 Gasoline Promotion Tax Credit					Actual Total Number of E15-20 & E85 Gallons Sold In Iowa	
Iowa Actuals (2016)	Amount Claimed	Iowa Tax Credit %	Oversight Estimated Number of Gallons Claimed By Tax Credit Claimants	Actual Number of Gallons Sold		
E85 is a blend of gasoline that contains between 70% and 85% ethanol.	\$2,143,259	\$0.16 per gallon	13,395,368.75	13,471,861	22,506,449	
E15 Plus Gasoline Promotion Tax Credit						
Iowa Actuals (2016)	Amount Claimed	Iowa Tax Credit %	Amount Claimed Per %			
E15 Plus are blends of gasoline that contain between 15% and 69% ethanol	\$426,788	June 1 - September 15 - \$0.10 per gallon	\$227,620	8,915,127.11	9,034,588	
		All Other Dates - \$0.03 per gallon	\$199,168			

**Oversight** notes the amount of estimated gallons sold by tax credit claimants and the actual amount of gallons sold are very similar. Therefore, Oversight anticipates a near one hundred percent (100%) participation rate in Missouri for each gallon of qualifying fuel sold.

**Oversight** notes, based on the data reported above, the total amount of E-15 & 20 & E85 gallons sold in Iowa during 2016 totals 22,506,449.

If the assumption that Iowa's fuel ethanol operations are operating at 55% capacity of Missouri's fuel ethanol operations is accepted, Oversight estimates Missouri's total E15 Plus and E85 gallons sold could total 40,920,816 gallons (22,506,449 / 55%). Oversight notes, a tax credit equal to \$0.05 per gallon would generate a total amount of tax credits equal to \$2,046,041 (40,920,816 \* \$0.05).

**Oversight** assumes, based on Iowa's tax credit utilization, when adjusted based on Missouri's estimated fuel ethanol operations, that the total number of taxpayer's claiming the tax credit created under this proposed legislation would be less than the threshold(s) established by the Missouri Department of Revenue for additional FTE. Therefore, for purposes of this fiscal note, Oversight will assume that the Missouri Department of Revenue can absorb the responsibilities of the tax credit created with existing resources. Should the number of tax credits claimed be significant, though, the Missouri Department of Revenue may seek additional FTE through the appropriation process.

**Oversight** notes the tax credit created if for all tax years beginning on or after January 1, 2022. Oversight notes taxpayers will not file their Tax Year 2022 tax returns until after January 1, 2023 (Fiscal Year 2023).

**Oversight** notes the actual and overall impact of this proposed legislation is unknown. For purposes of this fiscal note, Oversight will report a revenue reduction to GR equal to a range beginning with an amount "Up to" \$2,046,041 (as estimated by Oversight) to \$15,330,000 (as estimated by B&P and DOR) beginning in Fiscal Year 2023.

**Oversight** notes the tax credit created would automatically sunset on December 31, 2025 unless reauthorized by the General Assembly.

In response to a similar proposal from 2021 (SB 140), officials from the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, the **City of Ballwin**, **Boone County**, the **City of Claycomo**, the **City of Corder**, the **City of Hughesville**, the **City of Kansas City**, the **City of Springfield**, and the **St. Louis Budget Division** did not anticipate this proposed legislation would have an impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will not report a fiscal impact for these organizations.

§§227.450, 227.463, 227.464, 227.465, 227.466, 227.467, 227.474, 227.477, 227.478, 227.479, 227.485, 227.486, 227.488, 227.489, 227.490, 227.494, 227.495, 227.496, 227.497, 227.498, 227.499, 227.774, 227.775, 227.776, 227.777, 227.778, 227.779, 227.780, 227.781, 227.782, 227.783, 227.784, 227.785, 227.787, 227.788, 227.789, 227.790, 227.7932, 227.794 & 227.803 – Memorial Highway Designations

In response to similar proposals from 2021 in regards to memorial highway designations, officials from the **Missouri Department of Transportation** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

§301.033 – Registration of Farm Vehicles

In response to a similar proposal from 2021 (HB 153), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To incorporate the necessary changes to allow for farm vehicle owners of more than one farm vehicle to make application with the Department to process as a farm fleet for the same registration renewal schedule, various department systems and procedures will need modifications to apply the changes.

FY 2022 – Motor Vehicle Bureau (MVB)

Associate Research/Data Analyst	239 hrs. @ \$18.50 per hr.	= \$4,422
Research/Data Analyst	20 hrs. @ \$23.09 per hr.	= \$ 462
Administrative Manager	10 hrs. @ \$21.57 per hr.	= \$ 216
Total		\$5,100

FY 2022 – Strategy and Communications Bureau

Research/Data Assistant	4 hrs. @ \$15.49 per hr.	= \$ 62
Associate Research/Data Analyst	13 hrs. @ \$18.50 per hr.	= \$ 241
Total		\$ 303

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

**DOR** notes OA-ITSD services will be required at a cost of **\$60,432** in FY 2022 (636.12 hours x \$95 per hour).

**Oversight** does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.



**DOR** notes the current transfer fee is \$2. This proposal does not change that, nor will it result in an increase in transfer transactions; therefore, there should not be a revenue impact. The \$2 fee is not to add a vehicle to a fleet, but to transfer plates to the vehicle if a new vehicle for the fleet is purchased and the owner wants to transfer unexpired license plates from a previous vehicle owned.

In addition, this proposal will not increase the number of farm vehicles that need license plates. Any additional cost to issue plates that say special farm fleet vehicle plates, if any, will be minimal and absorbed as the number of plates being manufactured will not increase.

In response to a similar proposal from 2021 (HB 153), officials from the **Missouri Department of Agriculture** and **Missouri Department of Transportation** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a similar proposal from 2021 (HB 153), from the **Missouri Highway Patrol** deferred to the DOR for the potential fiscal impact of this proposal.

§§301.192, 301.280, 407.526, 407.536 & 407.556 – Odometer Readings

In response to a similar proposal from 2021 (HB 664), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To incorporate the necessary changes various department systems and procedures will need modifications to apply the changes.

FY2022 – Motor Vehicle Bureau (MVB)

Associate Research/Data Analyst	62 hrs. @ \$18.50 per hr.	= \$1,147
Research/Data Analyst	16 hrs. @ \$23.09 per hr.	= \$ 369
Administrative Manager	8 hrs. @ \$21.57 per hr.	= \$ 173
Total		<u>\$1,689</u>

FY 2022 – Strategy and Communications Bureau

Research/Data Assistant	4 hrs. @ \$15.49 per hr.	= \$ 62
Associate Research/Data Analyst	13 hrs. @ \$18.50 per hr.	= \$ 241
Total		<u>\$ 303</u>

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

**DOR** notes OA-ITSD services will be required at a cost of **\$15,288** in FY 2022 (160.93 hours x \$95 per hour).

**Oversight** does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

In response to a similar proposal from 2021 (HB 664), officials from the **Missouri Department of Transportation** and **Missouri Highway Patrol** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### §§301.558 & 307.380 – Dealer Administrative Fees

In response to a similar proposal from 2021 (SS for SB 46), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

OA-ITSD services will be required to update DOR systems to be able to collect the fee from dealers at a cost of **\$67,306** in FY 2022 (708 hours x \$95 per hour) and **\$6,731** in subsequent years.

**Oversight** does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

#### Revenue Impact

Motor vehicle dealers, boat dealers, and power sport dealers are not required by law to report to the Department whether they charge an administrative fee in connection with the sale or lease of a new or used motor vehicle, vessel, or vessel trailer. Therefore, the Department is unaware of the number of motor vehicle dealers assessing an administrative fee in connection with the sale of a new or used motor vehicle.

For calendar year 2020, approximately 1,300,000 vehicles were sold by dealers. If each dealer assessed an administrative fee of \$100 and the Motor Vehicle Administration Technology Fund received ten percent, this would equate to \$13,000,000 annually. Once the integrated system is implemented, and the fund received one percent, this would equate to \$1,300,000. If each dealer assessed the max allowed administrative fee of \$500, the fund would receive \$65,000,000 annually. Once the integrated system is implemented, and the fund received one percent, this would equate to \$6,500,000 annually. It is unknown what administrative fee each dealer will charge to their customers.

**Oversight** is unable to determine how many dealers in Missouri charge an administrative fee and the amount of these fees; therefore, Oversight will utilize the estimates provided by DOR. However, Oversight will assume 50% of dealers will charge an administrative fee; therefore, Oversight will range the fiscal impact from 50% of dealers charging \$100 to 50% of dealers charging the maximum fee of \$500 on the fiscal note.

Oversight is unable to determine when the integrated system indicated in Section 301.558.3, RSMo, will be implemented; however, DOR has indicated that this integrated system could cost up to \$105 million. Therefore, Oversight will reflect the revenue into the newly established Motor Vehicle Administration Technology Fund at the 10% level of the administrative fee assessed by dealers in all fiscal years on the fiscal note.

In response to a similar proposal from 2021 (SS for SB 46), officials from the **Office of Administration - Budget and Planning (B&P)** assumed the following regarding this proposal:

This bill allows for an increase in motor vehicle dealer administrative fees to increase from less than \$200, to \$500 or less and requires the fee to increase annually by an amount equal to the percentage change in the Consumer Price Index. This bill also requires that 10% of that fee be remitted to the state to implement a modernized motor vehicle and driver's licensing system. Any portion of the fee remitted to the state shall be deposited into the newly created "Motor Vehicle Administration Technology Fund." Upon completion of the system, 1% of the fee shall be remitted to pay for the maintenance of the system.

To the extent that individuals purchase vehicles from Missouri dealers and pay the administrative fee, TSR/18(e) would increase. B&P defers to the Department of Revenue for specific revenue estimates.

In response to a similar proposal from 2021 (SS for SB 46), officials from the **Missouri Highway Patrol, Missouri Department of Transportation, Office of the State Treasurer and Attorney General's Office** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

#### §302.755 – Commercial Driver License Restrictions

In response to a similar proposal from 2021 (HB 661), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

#### Administrative Impact

This new disqualification is mandated per Federal Motor Carrier Safety Regulation changes defined in 49 CFR §383.51 with a mandatory compliance date of September 23, 2022. The Department has no available data that would help us determine the potential volume of drivers who may be convicted under this new provision, but assumes it will be minimal enough to not require additional FTE. If the increase is more significant than anticipated, additional FTE may be requested through the appropriations process.

To implement the proposed legislation, the Department will be required to:

- Complete programming and user acceptance testing of MODL to develop a new action type and MODL code for CDL disqualification for trafficking of persons,
- Update driver history and CDL disqualification evaluation routines;
- Test programs for inbound and outbound conviction processing and driver history eligibility evaluations in MODL and MAI;
- Update interactive applications for automated responses to customers through telephone system (current vendor Genesys) or online (DORA),
- Work with OSCA to ensure courts are informed of the new lifetime disqualification;
- Update the Department website,
- Update form 5231 Commercial Operators and the Law Brochure and form 899 Missouri Driver Record Traffic Violation Descriptions and Points Assessed; and
- Update the Missouri Commercial Driver License Manual.

FY 2022 – Driver License Bureau

Research/Data Analyst	160 hrs. @ \$23.82 per hr.	= \$3,053
Research/Data Assistant	160 hrs. @ \$15.98 per hr.	= <u>\$2,557</u>
Total		= \$5,610

FY 2022 – Personnel Services Bureau

Associate Research/Data Analyst	60 hrs. @ \$19.08 per hr.	= \$1,145
Research/Data Assistant	20 hrs. @ \$15.98 per hr.	= <u>\$ 320</u>
Total		= \$1,465

**Total Costs** = **\$7,075**

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

**DOR** notes however, that OA-ITSD services will be required at a cost of **\$26,881** in FY 2022 (282.96 hours x \$95 per hour) to implement these changes to the MODL system.

**Oversight** does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

In response to a similar proposal from 2021 (HB 661), officials from the **Missouri Highway Patrol** and **Missouri Department of Transportation** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§§303.025, 303.041, 303.420, 303.422, 303.425, 303.430 & 303.440 – Motor Vehicle Financial Responsibility

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

Motor Vehicle Driver License Administrative Impact

The proposal requires the Department to establish and maintain a web-based system for online insurance verification. The system's goal is to identify uninsured motorists in the most effective way. To establish the objectives, details, and deadlines for the system, the Department must create an advisory council, which consists of representatives from the insurance industry who will also serve as voting members. To implement and enforce the program and to require real-time reporting, administrative rules will be promulgated.

The proposal allows the Department to contract or consult with a third-party vendor who has implemented a similar program in other states to create the web-based system; however, there is no funding provided in the proposal to fund a third-party vendor. As such, OA-ITSD will be responsible for the development, implementation, and maintenance of the system, unless funding becomes available. The OA-ITSD cost will be shown later in this response.

An online "real-time" insurance verification system will allow law enforcement to verify compliance with the Financial Responsibility Law at the time of roadside-traffic stops and motor vehicle crash investigations. This will result in an increase in the number of "no insurance" citations being issued by law enforcement to motor vehicle operators or owners. Missouri currently has approximately 7.1 million registered vehicles. The uninsured vehicle rate in Missouri is believed to be approximately 13 percent. This equates to 923,000 uninsured vehicles possibly being operated on Missouri roadways, not including out-of-state vehicles. It is unclear how many citations will be issued annually and of those, how many will result in a court conviction. According to statistics maintained by the Missouri Attorney General's Office, in 2019, there were 1,524,640 traffic stops in this state. This shows 21% of the motor vehicles registered are stopped annually ( $1,524,640/7,100,000 = 21\%$ ). This may result in the Department receiving 193,830 convictions ( $923,000 \times 21\%$ ) annually.

A court sends the conviction either electronically or by paper to the Department to post to the driver record and assess four points. (§303.025.3). The Department currently receives approximately 25% of all traffic convictions by paper ( $193,830 \times 25\% = 48,458$ ). An Associate Customer Service Representative (ACSR) can key 350 paper convictions daily.

48,458	Number of paper convictions received annually
<u>\ 252</u>	Number of working days per year
192	Convictions received daily
<u>\ 350</u>	Convictions processed per day
<b>0.5</b>	<b>ACSR I needed = 1 FTE @ \$25,812</b>

The Department is required to issue point warning notices when a person accumulates four points on their driver record. No insurance convictions result in the assessment of four points. As such, each of these convictions will result in a point warning notice or a suspension notice for those individuals who have already accumulated points on their record prior to this point assessment.

193,830	Number of notices issued by the Department
<u>X \$.038</u>	Cost per letter
\$7,366	Total Annual Cost for letter
<u>\ 2</u>	Number of months in FY 2022 after law becomes effective
<b>\$ 3,683</b>	<b>FY 2022 Letter Cost (6 months only)</b>
<b>\$7,550</b>	<b>FY 2023 Letter Cost</b>
<b>\$7,738</b>	<b>FY 2024 Letter Cost</b>

193,830	Number of envelopes issued by the Department
<u>x \$.068</u>	Cost per envelope
\$13,180	Total Annual Cost for envelopes
<u>\ 2</u>	Number of months in FY 2022 after law becomes effective
<b>\$6,590</b>	<b>FY 2022 Envelope Cost (6 months only)</b>
<b>\$13,510</b>	<b>FY 2023 Envelope Cost</b>
<b>\$13,848</b>	<b>FY 2024 Envelope Cost</b>

193,830	Number of notices issued by the Department
<u>x \$.55</u>	Cost for postage
\$106,607	Total Annual Cost for postage
<u>\ 2</u>	Number of months in FY 2022 after law becomes effective
<b>\$ 53,304</b>	<b>FY 2022 Postage Cost (6 months only)</b>
<b>\$109,272</b>	<b>FY 2023 Postage Cost</b>
<b>\$112,003</b>	<b>FY 2024 Postage Cost</b>

This online system will also allow the Department and contract offices to verify insurance at the time a vehicle is registered or a registration is renewed both in-person and online. The registration or renewal will be denied if insurance is not confirmed.

The proposal allows the Department to suspend registration of a vehicle if it has reason to believe a vehicle is uninsured. Currently, the Department enforces compliance with the insurance law in the following ways:

- If an owner fails to show proof of insurance at the time of registration, registration or renewal of registration is denied;
- A no insurance conviction assesses four points to a driver or owners driving record; and
- If an uninsured driver and owner are involved in an accident and it is reported to the Department pursuant to §303.040, the driver's operating privilege and the owner's vehicle registration is suspended.

The court also has the ability to enter an order suspending the driving privilege, pursuant to §303.025.3. In CY 2020, the Department received zero court-ordered suspensions. The Department does not have available data to determine an estimated volume of increase, but assumes it will be minimal enough to be absorbed by current FTEs. If the increase is more significant than anticipated or additional laws are passed that impact the staff who process these court orders, additional FTEs may be requested through the appropriations process.

It is unclear in what other circumstance the Department may have reason to believe a vehicle owner is operating an uninsured vehicle, and thereby suspend the owner's registration. Section 303.026, RSMo, allows the Department to conduct a random sampling of vehicle owners who showed uninsured in the motorists' insurance database; however, that program was discontinued due to budget restraints after the passage of Constitutional Amendment 3. Furthermore, the language in this bill states that this web-based system will supersede any other database. Based on the IICMVA's standards, this web-based system will require a unique key information to route to the appropriate insurance company, and therefore, the system would not have the capabilities to conduct random sampling.

FTE Requirements

\$25,812	One ACSR
\ 12	Number of months in a year
\$2,151	Monthly salary
x 6	Number of months in FY22 after law becomes effective
<b>\$12,906</b>	<b>FY 2022 Salary (6 months only)</b>

Desk, chair, PC w/ Monitors, and misc. software= \$8,574

The Department has no data that would help us determine how much of an increase in hearing requests the Department will receive, but assumes it will not cause additional FTE. If the increase in hearing requests is more significant than anticipated or additional laws are passed that affect the staff who mediate these hearings, additional FTE may be requested through the appropriations process.

Increased letter, envelope, and postage cost

FY 2022: \$63,577  
FY 2023: \$130,332  
FY 2024: \$133,589

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DOR.

To implement the proposed legislation, **DOR** states they will be required to:

- Perform programming changes and testing of the web-based online insurance system for a minimum of nine months, per bill provisions
- Update Department’s website
- Update Driver Guide
- Draft Internal and external procedures
- Create an Advisory Council to establish the objectives, details, and deadlines for the system
- Draft Administrative Rules

FY 2022 – Motor Vehicle Bureau (MVB) and Driver License Bureau (DLB)

Associate Research/Data Analyst	450 hrs. @ \$19.08 per hr. =	\$ 8,586
Research/Data Analyst	175 hrs. @ \$23.82 per hr. =	\$ ,169
Administrative Manager	60 hrs. @ \$22.24 per hr. =	<u>\$ ,334</u>
		<b>\$14,089</b>

The Department anticipates being able to absorb this administrative impact. If multiple bills are passed that require Department resources, funding will be requested through the appropriations process.

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs as DOR indicated on the fiscal note.

Revenue Impact

**DOR** states if a no insurance conviction subsequently results in a point accumulation suspension, the individual will be required to pay a \$20 reinstatement fee. With a presumption that 10% of all convictions received will result in a suspension, the reinstatement fees collected would be:

193,830	Number of annual convictions
<u>x 10%</u>	Presumed percent of suspensions
19,383	Number of annual point suspensions
<u>X 35%</u>	Percent that reinstate annually
6,784	Number of annual reinstatements from these suspensions
<u>x \$20</u>	Reinstatement fee per suspension
\$135,680	Reinstatement fees collected annually
<u>\ 12</u>	Number of months in a year
\$11,307	Increase in reinstatement fees collected monthly
<u>x 6</u>	Number of months in FY 2022 after law becomes effective
<b>\$67,842</b>	<b>Fees Collected in FY 2022 (6 months only)</b>



Fees collected will be distributed 75% Highway Fund, 15% Cities, and 10% Counties.

FY 2022

\$67,842 x 75% = \$50,882 Highway Fund  
\$67,842 x 15% = \$10,176 Cities  
\$67,842 x 10% = \$ 6,784 Counties

FY 2023

\$135,680 x 75% = \$101,760 Highway Fund  
\$135,680 x 15% = \$20,352 Cities  
\$135,680 x 10% = \$13,568 Counties

FY 2024

\$135,680 x 75% = \$101,760 Highway Fund  
\$135,680 x 15% = \$20,352 Cities  
\$135,680 x 10% = \$13,568 Counties

Administrative Impact-General Counsel's Office (GCO)

GCO anticipates if the increase is more significant than anticipated or additional laws are passed that impact the General Counsel's Office (GCO), additional FTE or Attorneys may be requested through the appropriations process. It is unclear how many individuals will appeal to the Circuit Court once their insurance is suspended.

Administrative Impact: Compliance and Investigations Bureau (CIB)

This proposal amends several chapters in Section 303, RSMo, related to financial responsibility requirements.

It is unknown the fiscal impact to CIB at this time as it is unknown if CIB would be part of the new program or if it would be a newly created program with new FTEs assigned.

The fiscal impact to DOR would be as follows:

1. FTEs required to administer the new MTR VEH Financial Responsibility Enforcement and Compliance incentive program.
2. FTEs required to enforce the violations of the new MTR VEH Financial Responsibility Enforcement and Compliance incentive program
3. FTEs and programming expenses to build the new IT system created by this bill
4. Equipment, office space, supplies necessary for implementation and administration of the new program

In addition, it may be necessary for supplemental funding be given to establish the program and IT system since the funding source listed in this bill would not have any funds until funds were collected from violators.

There would possibly be a concern with Insurance Companies claiming this bill violates the Hancock Amendment since there is no funding source provided for the insurance companies to build or alter their systems in order to submit their data to DOR.

DOR will have a significant fiscal impact, dependent upon how this program is implemented.

**Oversight** will reflect an “Unknown” cost to DOR for the administration of Sections 303.420 to 303.440, RSMo in the Motor Vehicle Financial Responsibility Verification and Enforcement Fund.

**DOR** notes OA-ITSD services will be required at a cost of **\$354,996** in FY 2022 (3,737 hours x \$95 per hour).

**Oversight** does not have any information to the contrary in regards to DOR’s assumptions; therefore, Oversight will reflect DOR’s OA-ITSD costs on the fiscal note.

**Oversight** also notes this proposal creates the “Motor Vehicle Financial Responsibility Verification and Enforcement Fund”, which shall consist of money collected under Sections 303.420 to 303.440, RSMo. Oversight notes fees from the pretrial diversion program being established will be deposited into this fund.

**Oversight** notes the following misdemeanor convictions for violations of §303.025:

FY 2020	5,662
FY 2019	7,333
FY 2018	<u>8,256</u>
Average	7,084

There is no way to determine how much revenue will be collected as a result of this provision; however, Oversight will estimate that 5% to 25% of violators will participate in the diversion program.

$$7,084 \times 5\% = 354 \times \$200 \text{ (diversion participation fee)} = \$70,800$$
$$7,084 \times 25\% = 1,771 \times \$200 \text{ (minimum fine for first offense)} = \$354,200$$

**Oversight** notes because this is a diversion program, offenders may choose this option instead of paying a normal fine, which will result in a decrease in fine revenue to schools; therefore, Oversight will reflect an “Unknown” loss to schools. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

**Oversight** notes the verification system shall be installed and fully operational by January 1, 2023, following an appropriate testing or pilot period of not less than nine months; therefore, Oversight will reflect the DOR FTE costs in FY 2023 (6 months) and FY 2024 (12 months).

For the purpose of the proposed legislation, and as a result of excessive caseloads, the **Missouri State Public Defender (SPD)** cannot assume existing staff will be able to provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime(s) concerning motor vehicle financial responsibility under Section 303.025, RSMo. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards. While the number of new cases may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attaches.

**Oversight** assumes the SPD will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the SPD for fiscal note purposes.

Officials from the **Missouri Department of Transportation** defer to the DOR for the potential fiscal impact of this proposal.

Officials from the **Missouri Highway Patrol, Office of the State Courts Administrator, Missouri Office of Prosecution Services, Department of Commerce and Insurance and Department of Corrections** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **St. Joseph Police Department, Kansas City Police Department, St. Louis County Police Department, Boone County Sheriff, Crestwood Police Department, Ellisville Police Department, Greenwood Police Department and Springfield Police Department** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### §306.030 – Permanent Boat Registrations

In response to a similar proposal from 2021 (HCS for SCS for SB 49), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

The proposed language establishes a permanent registration option for vessels and watercraft titled in Missouri.

Below are the proposed fees associated to permanent registrations.

		Current three-year fee	Proposed permanent fee
<b>Length</b>	< 16 feet	\$25.00	\$75.00
	> 16 feet & < 26 feet	\$55.00	\$165.00
	> 26 feet & < 40 feet	\$100.00	\$300.00
	> 40 feet	\$150.00	\$450.00

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update internal procedures, forms, and Department website;
- Update the Missouri Titling Manual;
- Implement identified system changes and conduct UAT testing;
- Train Staff

FY 2022 – Motor Vehicle Bureau

Lead Administrative Support Assistant	10 hrs. @ \$14.54 per hr.	= \$145
Research /Data Assistant	35 hrs. @ \$15.49 per hr.	= \$542
Associate Research/Data Analyst	470 hrs. @ \$18.50 per hr.	= \$8,695
Research/Data Analyst	118 hrs. @ \$23.09 per hr.	= \$2,725
Administrative Manager	59 hrs. @ \$21.56 per hr.	= \$1,273

FY 2022 – Strategy and Communications Office

Associate Research/Data Analyst	40 hrs. @ \$18.50 per hr.	= \$740
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**Total Costs = \$14,120**

The Department anticipates that they will be able to absorb the above listed administrative costs. If multiple bills pass which require Department resources, FTE may be requested through the appropriations process.

The Department does not have an estimated cost for the design of a permanent boat decal at this time. The Department anticipates that they will be able to absorb the cost associated to the new design and implementation.

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

**DOR** notes OA-ITSD services will be required at a cost of **\$165,494** in FY 2022 (1,742 hours x \$95 per hour).

**Oversight** does not have any information to the contrary in regards to DOR’s assumptions; therefore, Oversight will reflect DOR’s OA-ITSD costs on the fiscal note.

Revenue Impact

The Department is unable to estimate the number of owners that will elect to obtain a permanent registration for their vessel or watercraft.

For the purpose of this response, the Department assumes that 50% of owners will elect the permanent registration instead of the current 3-year registration for their vessel or watercraft. Current and proposed registration fees:

		<b>Current three-year fee</b>	<b>Proposed permanent fee</b>
<b>Length</b>	< 16 feet	\$25.00	\$75.00
	> 16 feet & < 26 feet	\$55.00	\$165.00
	> 26 feet & < 40 feet	\$100.00	\$300.00
	> 40 feet	\$150.00	\$450.00

Estimated Revenue Collected:

FY 2022 Expiration				
<b>Length</b>	<b>Current Total Registrations</b>	<b>Current 3-Year Renewal</b>	<b>If 50% Elect for 3-Year Renewal</b>	<b>If 50% Elect for Permanent Registration</b>
< 16 feet	25,391	\$634,775	\$317,400	\$793,469
>16 feet & < 28 feet	54,866	\$3,017,630	\$1,508,815	\$3,772,038
>28 feet & < 40 feet	5,486	\$548,600	\$274,300	\$685,750
>40 feet	472	\$70,800	\$35,400	\$88,500
<b>Total</b>	<b>86,215</b>	<b>\$4,271,805</b>	<b>\$2,135,915</b>	<b>\$5,339,757</b>

Difference: \$3,203,842

FY 2023 Expiration				
Length	Current Total Registrations	Current 3-Year Renewal	If 50% Elect for 3-Year Renewal	If 50% Elect for Permanent Registration
< 16 feet	26,672	\$666,800	\$333,400	\$1,000,200
>16 feet & < 28 feet	58,735	\$3,230,425	\$1,615,680	\$4,845,638
>28 feet & < 40 feet	5,359	\$535,900	\$267,900	\$803,850
>40 feet	459	\$68,850	\$34,350	\$103,275
<b>Total</b>	<b>91,225</b>	<b>\$4,501,975</b>	<b>\$2,251,330</b>	<b>\$6,752,963</b>

Difference: \$4,501,633

FY 2024 Expiration*				
Length	Current Total Registrations	Current 3-Year Renewal	If 50% Elect for 3-Year Renewal	If 50% Elect for Permanent Registration
< 16 feet	25,078	\$626,950	\$313,475	\$940,425
>16 feet & < 28 feet	52,474	\$2,886,070	\$1,443,035	\$4,329,105
>28 feet & < 40 feet	5,197	\$519,700	\$259,800	\$779,550
>40 feet	527	\$79,050	\$39,450	\$118,575
<b>Total</b>	<b>83,276</b>	<b>\$4,111,770</b>	<b>\$2,055,760</b>	<b>\$6,167,655</b>

\*FY 24 numbers are based on FY 21 registrations that are set to expire in June 2021

Difference: \$4,111,895

Average New Registrations				
Length	Average New Registrations From Previous 3 Years	Current 3-Year Renewal	If 50% Elect for 3-Year Renewal	If 50% Elect for Permanent Registration
< 16 feet	11,474	\$286,850	\$143,425	\$430,275
>16 feet & < 28 feet	23,174	\$1,274,570	\$637,285	\$1,911,855
>28 feet & < 40 feet	1,413	\$141,300	\$70,600	\$211,950
>40 feet	603	\$90,450	\$45,150	\$135,675
<b>Total</b>	<b>36,664</b>	<b>\$1,793,170</b>	<b>\$896,460</b>	<b>\$2,689,755</b>

While the Department will see an increase in revenue for FY 2022, FY 2023, and FY 2024, as a result of the increased fees for permanent registrations, the Department anticipates a potential decline in revenue for subsequent fiscal years. This decrease will negatively impact the Water Patrol Division Fund.

**Oversight** notes the following increases in revenue:

FY 2022 Expiration (10/12 of a full year)					
Length	Current Total Registrations	Current 3-Year Renewal	If 50% Elect for 3-Year Renewal	If 50% Elect for Permanent Registration	Increase in Revenue
< 16 feet	25,391	\$634,775	\$317,388	\$952,163	<b>\$528,979</b>
>16 feet & < 28 feet	54,866	\$3,017,630	\$1,508,815	\$4,526,445	<b>\$2,514,692</b>
>28 feet & < 40 feet	5,486	\$548,600	\$274,300	\$822,900	<b>\$457,167</b>
>40 feet	472	\$70,800	\$35,400	\$106,200	<b>\$59,000</b>
<b>Total</b>	<b>86,215</b>	<b>\$4,271,805</b>	<b>\$2,135,903</b>	<b>\$6,407,708</b>	<b>\$3,559,838</b>

FY 2023 Expiration					
Length	Current Total Registrations	Current 3-Year Renewal	If 50% Elect for 3-Year Renewal	If 50% Elect for Permanent Registration	Increase in Revenue
< 16 feet	26,672	\$666,800	\$333,400	\$1,000,200	<b>\$666,800</b>
>16 feet & < 28 feet	58,735	\$3,230,425	\$1,615,213	\$4,845,638	<b>\$3,230,425</b>
>28 feet & < 40 feet	5,359	\$535,900	\$267,950	\$803,850	<b>\$535,900</b>
>40 feet	459	\$68,850	\$34,425	\$103,275	<b>\$68,850</b>
<b>Total</b>	<b>91,225</b>	<b>\$4,501,975</b>	<b>\$2,250,988</b>	<b>\$6,752,963</b>	<b>\$4,501,975</b>

FY 2024 Expiration					
Length	Current Total Registrations	Current 3-Year Renewal	If 50% Elect for 3-Year Renewal	If 50% Elect for Permanent Registration	Increase in Revenue
< 16 feet	11,474	\$286,850	\$143,425	\$430,275	<b>\$626,950</b>
>16 feet & < 28 feet	23,174	\$1,274,570	\$637,285	\$1,911,855	<b>\$2,886,070</b>
>28 feet & < 40 feet	1,413	\$141,300	\$70,650	\$211,950	<b>\$519,700</b>
>40 feet	603	\$90,450	\$45,225	\$135,675	<b>\$79,050</b>
<b>Total</b>	<b>36,664</b>	<b>\$1,793,170</b>	<b>\$896,585</b>	<b>\$2,689,755</b>	<b>\$4,111,770</b>

Average New Registrations					
Length	Current Total Registrations	Current 3-Year Renewal	If 50% Elect for 3-Year Renewal	If 50% Elect for Permanent Registration	Increase in Revenue
< 16 feet	11,474	\$286,850	\$143,425	\$430,275	<b>\$286,850</b>
>16 feet & < 28 feet	23,174	\$1,274,570	\$637,285	\$1,911,855	<b>\$1,274,570</b>
>28 feet & < 40 feet	1,413	\$141,300	\$70,650	\$211,950	<b>\$141,300</b>
>40 feet	603	\$90,450	\$45,225	\$135,675	<b>\$90,450</b>
<b>Total</b>	<b>36,664</b>	<b>\$1,793,170</b>	<b>\$896,585</b>	<b>\$2,689,755</b>	<b>\$1,793,170</b>

**Oversight** notes the increase in revenue each fiscal year plus the average new registration revenue will be more or less than:



FY 2022 - \$3,559,838 + 1,793,170 = \$5,353,008

FY 2023 - \$4,501,975 + 1,793,170 = \$6,295,145

FY 2024 - \$4,111,770 + 1,793,170 = \$5,904,940

**Oversight** notes moneys collected under §306.030, RSMo are deposited into the Water Patrol Division Fund (0400), after the first \$1 million collected is deposited into General Revenue. Oversight assumes General Revenue revenues will not be impacted by this additional up-front registration fee option.

**Oversight** notes annual revenue may decrease in the fourth year due to those that obtained a permanent registration in the first year the option was available. For fiscal note purposes, Oversight will use the estimate of 50% that elect to obtain a permanent registration provided by DOR.

Oversight notes there was a \$4,388,987 balance in the Water Patrol Division Fund (0400) as of December 31, 2020.

In response to a similar proposal from 2021 (HCS for SCS for SB 49), officials from the **Missouri Highway Patrol** deferred to the DOR for the potential fiscal impact of this proposal.

In response to a similar proposal from 2021 (HCS for SCS for SB 49), officials from the **Missouri Department of Transportation** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

#### §§407.300 & 570.030 – Catalytic Converters

In response to a similar proposal from 2021 (HCS for HB 1153), officials from the **Department of Corrections (DOC)** stated this proposal provides provisions relating to catalytic converters. It states the offense of stealing is a class E felony if the property appropriated is a catalytic converter.

For each new nonviolent class E felony, the DOC estimates one person will be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the DOC is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2024.

	# to prison	Cost per year	Total Costs for <b>prison</b>	# to probation & parole	Cost per year	Total cost for <b>probation and parole</b>	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	1	(\$7,756)	(\$6,463)	2	absorbed	\$0	(\$6,463)
Year 2	2	(\$7,756)	(\$15,822)	4	absorbed	\$0	(\$15,822)
Year 3	2	(\$7,756)	(\$16,139)	7	absorbed	\$0	(\$16,139)
Year 4	2	(\$7,756)	(\$16,461)	7	absorbed	\$0	(\$16,461)
Year 5	2	(\$7,756)	(\$16,791)	7	absorbed	\$0	(\$16,791)
Year 6	2	(\$7,756)	(\$17,127)	7	absorbed	\$0	(\$17,127)
Year 7	2	(\$7,756)	(\$17,469)	7	absorbed	\$0	(\$17,469)
Year 8	2	(\$7,756)	(\$17,818)	7	absorbed	\$0	(\$17,818)
Year 9	2	(\$7,756)	(\$18,175)	7	absorbed	\$0	(\$18,175)
Year 10	2	(\$7,756)	(\$18,538)	7	absorbed	\$0	(\$18,538)

**Oversight** does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC’s estimated impact for fiscal note purposes.

In response to a similar proposal from 2021 (HCS for HB 1153), officials from the **Attorney General’s Office**, the **Missouri Office of Prosecution Services**, **Department of Public Safety – (Missouri Highway Patrol and Office of the Director)**, the **Department of Revenue**, the **Office of the State Courts Administrator**, the **Office of the Secretary of State**, the **Office of the State Public Defender**, the **Ellisville Police Department**, the **St. Joseph Police Department** the **Kansas City Police Department**, and the **St. Louis County Police Department** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a previous version, officials from each agency assumed the proposal will have no fiscal impact on their respective organizations.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** notes that violations of Section 407.300, RSMo. could result in fines or penalties. Oversight also notes per Article IX Section 7 of the Missouri Constitution fines and penalties collected by counties are distributed to school districts. Fine varies widely from year to year and are distributed to the school district where the violation occurred. Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts.

§301.010 – Definition of Autocycle

In response to a similar proposal from 2021 (HB 92), officials from the **Department of Revenue**, the **Missouri Highway Patrol** and the **Missouri Department of Transportation** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

§307.128 – Motorcycle Lighting

In response to a similar proposal from 2021 (HB 996), officials from the **Missouri Department of Transportation**, **Missouri Highway Patrol** and **Department of Revenue** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal from 2021 (HB 996), officials from the **Crestwood Police Department**, **Kansas City Police Department** and **St. Louis County Police Department** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

§§304.022 & 307.175 – Flashing Lights for Emergency Vehicles

In response to a similar proposal from 2021 (HB 380), officials from the **Department of Revenue**, **Missouri Department of Transportation**, **Missouri Highway Patrol**, **Department of Corrections**, **Office of the State Public Defender**, **Office of the State Courts Administrator** and **Missouri Office of Prosecution Services** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal from 2021 (HB 380), officials from the **City of Ballwin**, **City of Kansas City**, **City of O’Fallon**, **City of Springfield**, **City of St. Louis**, **Crestwood Police Department**, **Ellisville Police Department**, **Kansas City Police Department**, **Springfield Police Department** and **St. Louis County Police Department** each assumed the proposal would have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

§304.153 – Commercial Vehicle Towing Advisory Committee

In response to a similar proposal from 2021 (HB 389), officials from the **Missouri Department of Transportation (MoDOT)** assumed the following regarding this proposal:

This bill establishes the Commercial Vehicle Towing Advisory Committee and includes MoDOT's Director as one of the members of the Committee. This bill mandates the Missouri Highways and Transportation Commission (MHTC) to promulgate rules regulating the towing of commercial vehicles. This bill requires the MHTC to establish a process by which to receive, investigate and adjudicate complaints against towing companies. It is unclear if the MHTC determinations will be considered a contested case and if the MHTC determinations under this bill will be appealable to the Administrative Hearing Commission or Circuit Court.

Title	Classification/Grade	Salary /yr	Benefit /yr (86.45%)	Cost S+B/FTE	Number Of FTE	Cost
Sr. Agent	Technician - 9.4	\$37,692	\$32,585	\$70,277	2	\$140,553
Motor Carrier System and Training Analyst	Professional - 12.0	\$41,832	\$36,164	\$77,996	.25	\$19,499
Sr. Investigator	Professional - 13.7	\$49,056	\$42,409	\$91,465	3	\$274,395
Supervisor	Professional - 14.2	\$47,316	\$40,905	\$88,221	0.5	\$44,110
Project Manager	Professional - 17.4	\$60,276	\$52,109	\$112,385	0.25	\$28,096
					6	<b>\$506,654</b>

Motor Carrier Services (MCS) anticipates the need for additional support from MoDOT's Chief Counsel's Office. The estimated fiscal impact of that assistance is as follows:

Sr. Asst. Counsel	Professional -	\$70,752	\$61,165	\$131,917	0.25	\$32,979
Senior Paralegal	Professional – 15.3	\$51,060	\$44,141	\$95,201	0.25	\$23,800
Senior Executive Assistant	Professional – 11.4	\$41,832	\$36,164	\$77,996	1	\$77,996
					1.5	<b>\$134,775</b>

Write and promulgate rules

- Draft rules (Paralegal, Attorney, Project Manager, Division Director)
- Seek and receive feedback from affected parties and public at large (Project Manager, Division Director)
- Coordinate processes to present draft rules to Commission (Senior Executive Assistant, Project Manager, Paralegal)
- Coordinate processes to present draft rules to Secretary of State (Paralegal)

- Respond to public comment (Project Manager, Paralegal)
- Review and update rules as required by Section 536.175.1 RSMo (requires each state agency, including the Commission and MoDOT, to review each of its rules in the Code of State Regulations every five years.)
- Review and update rules as deemed necessary at points between the five-year review process.

Processes introduced as new work

- Receive complaints
- Record complaints
- Investigate complaints
- Record investigation information
- Record investigation results
- Adjudicate complaints
- Record adjudication processes
- Record adjudication results
- Facilitate open records and Sunshine Law requests
- Dispose of post-retention date records
- Communicate processes, statuses and results
  - Facilitate advisory committee
  - Facilitate meetings
    - Schedule meetings
    - Plan meetings
    - Organize appearances by those who petition to address the committee
    - Find, secure and prepare location of meetings
    - Recording, recordkeeping and retention of meeting notes
  - Facilitate presentation of recommendations
  - Facilitate action based on approval/disapproval of recommendations
- Facilitate advisory committee review of complaint results

The total fiscal impact of this legislation likely exceeds \$600,000 in salary and benefits alone. Additionally, MoDOT is unaware of any authority that empowers it to adjudicate civil issues between private parties. Thus, neither MoDOT nor the Committee will have the necessary authority to enforce the findings of any proceedings under this legislation. MoDOT has the authority to dispose of regulatory violations detected by MCS's investigatory staff in a State vs. Citizen Case, but for private parties to be made whole, court action as a civil matter is likely necessary for any charges deemed excessive or fraudulent.

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the cost estimates as provided by MoDOT.

In response to a similar proposal from 2021 (HB 389), officials from the **Missouri Highway Patrol, Department of Revenue and Attorney General's Office** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

### Section 1 – Vaccine Passports

**Oversight** assumes there will be no direct fiscal impact from this section.

### Bill as a Whole

### Rule Promulgation

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

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State'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 \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they 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 their office can sustain within their core budget. Therefore, they reserve 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** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties, local election authorities and law enforcement agencies were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.



<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023 (6 mos.)	FY 2024
<b>GENERAL REVENUE FUND</b>			
<u>Savings</u> – DOR - Envelopes, postage, and card stock (§115.160) p. 10	\$23,894	\$23,894	\$23,894
<u>Cost</u> – DOR – OA-ITSD services (§115.160) p. 10	(\$175,036)	(\$35,882)	(\$36,779)
<u>Cost</u> – DOR – OA-ITSD services (§842.320, 143.1032, 227.299, 301.020 & 302.171) p. 7	(\$36,680)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.033) p. 15	(\$60,432)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.192, 301.280, 407.526, 407.536 & 407.556) p. 16	(\$15,288)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.558) p. 17	(\$67,306)	(\$6,731)	(\$6,731)
<u>Cost</u> – DOR – OA-ITSD services (§302.755) p. 19	(\$26,881)	\$0	\$0
<u>Cost</u> – DOR (§8303.420 to 303.440) p. 21			
Personal Services	\$0	(\$13,035)	(\$26,331)
Fringe Benefits	\$0	(\$10,370)	(\$20,827)
Expense and Equipment	\$0	(\$191)	(\$391)
<u>Total Costs</u> – DOR	\$0	(\$23,596)	(\$47,549)
FTE Change – DOR	0 FTE	1 FTE	1 FTE



<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023 (6 mos.)	FY 2024
<u>Cost – DOR – mailing costs</u> (§§303.420 to 303.440) p. 22		(\$130,332)	(\$133,589)
<u>Cost – DOR – OA-ITSD Services</u> (§303.430) p. 25	(\$354,996)	\$0	\$0
<u>Cost – DOR – OA-ITSD Services</u> (§306.030) p. 27	(\$165,494)	\$0	\$0
<u>Costs – DOC - Increased incarceration costs</u> (§570.030) p. 33	(\$6,463)	(\$15,822)	(\$16,139)
<u>Transfer Out – to the Motor Vehicle Financial Responsibility Verification and Enforcement Fund – start-up expenses before revenue stream is established</u> (§§303.420 to 303.440) p. 25-26	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue Reduction – Tax Credit For Blended Fuel Sales</u> (§135.755) p. 14	\$0	Up to (\$2,046,041) to (\$15,330,000)	Up to (\$2,046,041) to (\$15,330,000)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$884,682)</u></b>	<b>Could exceed (\$2,234,510 to <u>\$15,518,469)</u></b>	<b>Could exceed (\$2,262,934 to <u>\$15,546,893)</u></b>
Estimated Net FTE Change to the General Revenue Fund	0 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023 (6 mos.)	FY 2024
<b>HIGHWAY FUND</b>			
<u>Revenue</u> – MHP Fees from records requests (§43.253) p. 8	\$5,000	\$5,000	\$5,000
<u>Revenue</u> – increased reinstatement fees for not having required insurance (§303.025) p. 23-24	\$0	\$50,880	\$101,760
<b>ESTIMATED NET EFFECT ON THE HIGHWAY FUND</b>	<b><u>\$5,000</u></b>	<b><u>\$55,880</u></b>	<b><u>\$106,760</u></b>
<b>MISSOURI MEDAL OF HONOR FUND</b>			
<u>Revenue</u> – donations by tax payers (§842.320, 143.1032, 227.299, 301.020 & 302.171) p. 8	Unknown	Unknown	Unknown
<u>Costs</u> – MoDOT – memorial signs (including maintenance and repair) (§842.320, 143.1032, 227.299, 301.020 & 302.171) p. 8	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON THE MISSOURI MEDAL OF HONOR FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023 (6 mos.)	FY 2024
<b>MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND</b>			
<u>Revenue</u> – DOR – 10% of administrative fee charged by dealers – ranged from \$100 to \$500 per administrative fee (§301.558) p. 17-18	Could exceed \$5,416,667 to <u>\$27,083,333</u>	Could exceed \$6,500,000 to <u>\$32,500,000</u>	Could exceed \$6,500,000 to <u>\$32,500,000</u>
<b>ESTIMATED NET EFFECT ON THE MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND</b>	<b>Could exceed \$5,416,667 to <u>\$27,083,333</u></b>	<b>Could exceed \$6,500,000 to <u>\$32,500,000</u></b>	<b>Could exceed \$6,500,000 to <u>\$32,500,000</u></b>
<b>MOTOR VEHICLE FINANCIAL REPSONSIBILITY VERIFICATION AND ENFORCEMENT FUND</b>			
<u>Transfer In</u> – from General Revenue (§303.420 to 303.440) p. 25-26	\$0	\$0 or Unknown	\$0 or Unknown
<u>Revenue</u> – money collected under Sections 303.420 to 303.440, RSMo p. 25-26	\$0	\$35,400 to \$177,100	\$70,800 to \$354,200
<u>Cost</u> – DOR to administer program (303.420 to 303.440) p. 25	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FTE Change – DOR	0 FTE	Unknown FTE	Unknown FTE

<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023 (6 mos.)	FY 2024
<b>ESTIMATED NET EFFECT ON THE MOTOR VEHICLE FINANCIAL RESPONSIBILITY VERIFICATION AND ENFORCEMENT FUND</b>	<u>\$0</u>	<b>Less than \$35,400 to <u>\$177,100</u></b>	<b>Less than \$70,800 to <u>\$354,200</u></b>
Estimated Net FTE Change to the Motor Vehicle Financial Responsibility Verification and Enforcement Fund	0 FTE	Unknown FTE	Unknown FTE
<b>STATE ROAD FUND</b>			
<u>Cost – MoDOT – FTE to implement proposal (§304.153) p. 34-35</u>	<u>(\$534,524)</u>	<u>(\$641,429)</u>	<u>(\$641,429)</u>
FTE Change – MoDOT	7.5 FTE	7.5 FTE	7.5 FTE
<b>ESTIMATED NET EFFECT ON THE STATE ROAD FUND</b>	<u>(\$534,524)</u>	<u>(\$641,429)</u>	<u>(\$641,429)</u>
Estimated Net FTE Change to the State Road Fund	7.5 FTE	7.5 FTE	7.5 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023 (6 mos.)	FY 2024
<b>WATER PATROL DIVISION FUND (0400)</b>			
<u>Revenue Increase – Fees for permanent certificates (\$306.030) p. 32</u>	More or less than <u>\$5,353,008</u>	More or less than <u>\$6,295,145</u>	More or less than <u>\$5,904,940</u>
<b>ESTIMATED NET EFFECT ON THE WATER PATROL DIVISION FUND</b>	<b>More or less than <u>\$4,553,008</u></b>	<b>More or less than <u>\$6,295,145</u></b>	<b>More or less than <u>\$5,904,940</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2022	FY 2023 (6 Mo.)	FY 2024
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Savings</u> - Local Election Authorities - Electronic registrations (§115.160.3) p. 10	Unknown	Unknown	Unknown
<u>Revenue</u> – Cities (15%) – increased reinstatement fees for not having required insurance (§§303.420 to 303.430) p. 23-24	\$0	\$10,176	\$20,352
<u>Revenue</u> – Counties (10%) – increased reinstatement fees for not having required insurance (§§303.420 to 303.430) p. 23-24	\$0	\$6,784	\$13,568
<u>Revenue Increase</u> – Fees for permanent certificates (§306.030) p. 32	More or less than \$5,353,008	More or less than \$6,295,145	More or less than \$5,904,940
<u>Revenue</u> – School districts - Fines from violations (§407.300) p. 33	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Loss</u> – Schools – decreased in fine revenue for those who choose the diversion program over paying the standard fine (§§303.420 to 303.430) p. 25	\$0	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>Could exceed \$5,353,008</b>	<b>Could exceed \$6,312,105</b>	<b>Could exceed \$5,938,860</b>

FISCAL IMPACT – Small Business

§135.755 - This proposed legislation could impact any small business operating as a retail dealer as such taxpayer could potentially qualify for the tax credit created under this proposed legislation and reduce or eliminate such taxpayer's state tax liability.

§301.033 - Small agriculture businesses could be positively impacted by this proposal.

§301.558 - Motor vehicle dealers will be able to charge more in administrative fees as a result of this proposal.

§306.030 - Small businesses that register vessels in Missouri could be impacted by this proposal.

§§407.300 & 507.030 - Small scrap metal businesses could be impacted by this proposal.

§304.153 - Small towing companies could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This legislation modifies provisions relating to transportation.

This legislation contains an emergency clause.

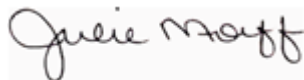
This legislation is partially federally mandated (§302.755), would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION


Department of Revenue  
Department of Commerce and Insurance  
Missouri Highway Patrol  
Missouri Office of Prosecution Services  
Office of the State Courts Administrator  
Office of the State Public Defender  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Department of Corrections  
Attorney General's Office  
Office of Administration - Budget and Planning  
Missouri Department of Agriculture  
Department of Public Safety – Director's Office

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Boone County Sheriff  
Crestwood Police Department  
Ellisville Police Department  
Greenwood Police Department  
Kansas City Police Department  
Springfield Police Department  
St. Joseph Police Department  
St. Louis County Police Department  
Kansas City Election Board  
Platte County Board of Elections  
St. Louis County Board of Elections  
City of Ballwin  
City of Claycomo  
City of Corder  
City of Hughesville  
City of Kansas City  
City of Springfield  
St. Louis Budget Division  
Boone County



Julie Morff  
Director  
April 27, 2021



Ross Strobe  
Assistant Director  
April 27, 2021