

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1581S.06T
Bill No.: Truly Agreed To and Finally Passed SS No. 2 for HB 661
Subject: Agriculture; Children and Minors; Civil Penalties; Commerce and Insurance, Department of; Consumer Protection; Crimes and Punishment; Federal - State Relations; Highway Patrol; Insurance - General; Insurance - Health; Insurance - Life; Licenses - Driver's; Licenses - Motor Vehicle; Motor Carriers; Motor Vehicles; Public Safety, Department of; Revenue, Department of; Taxation and Revenue - General; Transportation; Transportation, Department of;
Type: Original
Date: June 15, 2021

Bill Summary: This proposal modifies provisions relating to transportation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	Could exceed (\$546,447)	Could exceed (\$22,553)	Could exceed (\$22,870)
Total Estimated Net Effect on General Revenue	Could exceed (\$546,447)	Could exceed (\$22,553)	Could exceed (\$22,870)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Highway Fund	More or less than (\$824,656)	More or less than (\$3,527,729)	More or less than (\$3,527,729)
Missouri Air Emission Inspection Fund (0267)	(\$847,688)	(\$1,016,045)	(\$1,014,853)
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
Total Estimated Net Effect on <u>Other</u> State Funds	More or less than \$4,592,011 to \$26,258,677	More or less than \$3,007,671 to \$29,149,371	More or less than \$3,043,071 to \$29,326,471

*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. Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal Highway Funds*	\$0	\$0 or (Up to \$26,000,000)	\$0 or (Up to \$52,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0 or (Up to \$26,000,000)	\$0 or (Up to \$52,000,000)

*If Missouri is determined to be non-compliant, federal highway funds could be sanctioned. SS#2 added language that states the Missouri would revert back to the current emissions inspection program in 3 years if federal funding is withheld.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Missouri Air Emission Inspection Fund (0267)	(2 FTE)	(2 FTE)	(2 FTE)
Motor Vehicle Financial Responsibility Verification and Enforcement Fund – DOR FTE	0 FTE	Unknown FTE	Unknown FTE
Total Estimated Net Effect on FTE	(2 FTE)	Unknown to (2) FTE	Unknown to (2) FTE

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	More or less than (\$276,552)	More or less than (\$1,177,577)	More or less than (\$1,177,577)

FISCAL ANALYSIS

ASSUMPTION

§21.795 – Towing Provisions and the Joint Committee on Transportation Oversight

Officials from the **Missouri Department of Transportation, Missouri Highway Patrol, Department of Revenue, Office of the Governor, Office of the State Auditor, Missouri House of Representatives, Missouri Senate, Attorney General’s Office and Oversight Division** 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 this section.

§43.253 – Highway Patrol Fees

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** anticipate 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.

§142.869 – Biennial Alternative Decal Fees

Officials from the **Department of Revenue (DOR)** assume this section would have an impact to systems to update the issuance of alternative fuel decals with the option of a one or two year decal. The Department assumes it will cost approximately \$10,000 in system updates.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

§142.1000 – Electric Vehicle Task Force

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section would create the “Electric Vehicle Task Force”. The tax force shall provide a report to the General Assembly and Governor no later than December 31, 2022 with recommendations related to electric vehicle use. The tax force will expire on December 31, 2022. This provision will not impact TSR or the calculation under Article X, Section 18(e).

Officials from the **Department of Revenue (DOR)** assume the Department is required to submit a report to the General Assembly by December 31, 2022 (FY 2023). The Department assumes an impact of \$10,000 for the paying of expenses for this task force. For the simplicity of the fiscal note, expenses of the task force will be shown in FY 2022.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials from the **Missouri Senate** assume this section will have a negative fiscal impact due to reimbursing Senators for travel expenses to the meetings. Each meeting is estimated to cost \$561.

Oversight assumes the Missouri Senate is provided with core funding to handle a certain amount of activity each year. Oversight assumes the Missouri Senate could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the Missouri Senate could request funding through the appropriation process.

Oversight notes there was \$4,688 remaining in the Senate Revolving Fund as of May 31, 2021. The beginning balance was \$27,685 (July 1, 2020).

§162.066 – Joint Task Force on School Bus Safety

Officials from the **Department of Elementary and Secondary Education, Department of Public Safety - Director's Office, Missouri Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Missouri House of Representatives** assume the proposal will have no fiscal impact on their organization. The House will absorb any reasonable expenses of their members serving on the task force.

§§300.010, 301.010, 302.010, 303.020, 304.001, 307.025, 307.180, 307.188, 307.193, 307.194, 365.020, 407.560, 407.815, 407.1025 & 578.120 – Electric Bicycle Provisions

Officials from the **Missouri Department of Transportation, Department of Public Safety - Missouri Highway Patrol and Department of Revenue** each assume the proposal will 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 sections.

§§301.062, 304.180 & 304.240 – Local Log Trucks

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

Administrative Impact

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

- Update procedures, correspondence letters, forms, and the Department website.

FY 2022 – Motor Vehicle Bureau

Lead Administrative Support Assistant	5 hrs. @ \$14.54 per hr.	= \$	73
Research/Data Assistant	10 hrs. @ \$15.49 per hr.	= \$	155
Administrative Manager	5 hrs @ \$21.57 per hr.	= \$	108
Total		= \$	336

FY 2022 – Communications Bureau

Associate Research/Data Analyst	20 hrs. @ \$18.50 per hr.	= \$	370
Total		= \$	370

Total Costs \$ 706

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. If multiple bills are passed that require Department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials from the **Missouri Department of Transportation** and **Missouri Highway Patrol** 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 for these sections.

Oversight notes §304.240.2 creates a special carve out fine for local log trucks for load-limit violations. The current fine and proposed fine are:

Current		Proposed	
excess weight	Fine	excess weight	Fine
Up to 500 lbs.	\$.02 / lb	Up to 5,000 lbs.	\$.10 / lb
500 - 1,000 lbs	\$.05 / lb	5,000 - 10,000 lbs	\$.20 / lb
above 1,000 lbs.	\$.10 / lb	above 10,000 lbs.	\$.50 / lb

Oversight notes the fine per pound has increased with this proposal, potentially increasing fine revenue to local school districts. However, the definition of Local Log Truck (and the weight

limit dimensions) has also changed. Oversight is unsure how the changes will impact load limits. Therefore, Oversight will reflect a potential impact to fine revenue to school districts as positive unknown (higher fine per pound charged) to a negative unknown (specified weight distribution and maximum weight per truck changes may reduce number of tickets/convictions).

Oversight notes the following misdemeanor guilty dispositions were processed by the Office of the State Courts Administrator for charge codes §304.180 – §304.220 in the previous three years (Although, Oversight has no information regarding how many of these are for local log trucks):

FY 2020	3,995
FY 2019	1,270
FY 2018	896

§301.033 – Registration of Farm Vehicles

Officials from the **Department of Revenue (DOR)** assume 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		<u>\$5,100</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.	= <u>\$ 241</u>
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 **\$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.

Officials from the **Missouri Highway Patrol**, **Missouri Department of Agriculture** and **Missouri Department of Transportation** 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 for this section.

§§301.147, 307.350 & 643.315 – Even/Odd Years for Vehicle Registrations

Officials from the **Department of Revenue (DOR)** assume there will be minimal procedure and system changes that can be absorbed.

Oversight does not anticipate there being a significant fiscal impact to DOR based on when a motor vehicle is registered (even vs. odd year). Oversight assumes this allows some level of flexibility to DOR. Therefore, Oversight will not reflect a fiscal impact to DOR on this fiscal note.

Officials from the **Missouri Department of Transportation** and **Missouri Highway Patrol** 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 for these sections.

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

Officials from the **Department of Revenue (DOR)** assume 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		\$1,689

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 **\$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.

Officials from the **Missouri Department of Transportation** and **Missouri Highway Patrol** 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 for these sections.

\$302.755 – Commercial Driver License Restrictions

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

Officials from the **Missouri Highway Patrol** and **Missouri Department of Transportation** 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 for this section.

§§304.153, 385.220, 385.330 & 385.450 – Motor Clubs

Officials from the **Department of Commerce and Insurance**, the **Department of Public Safety - Missouri Highway Patrol**, the **Missouri Department of Transportation**, the **Missouri Office of Prosecution Services** and the **Office of the State Courts Administrator** 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 **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) relating to the tow truck drivers under Section 304.153. 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 Missouri State Public Defender 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.

Oversight notes officials from Department of Commerce and Insurance state motor clubs are not currently taxed under Chapter 148 and section 385.450.2 of the bill will not change taxation.

§304.900 – Personal Delivery Devices

Officials from the **Department of Commerce and Insurance**, **Department of Revenue**, **Missouri Department of Transportation** and **Missouri Highway Patrol** 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 **City of Claycomo**, **City of Kansas City** and **City of Springfield** 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.

In response to a previous version, officials from the **City of Corder**, **City of Hughesville**, **City of St. Louis**, **City of Ballwin**, **City of Hale** and **City of O’Fallon** 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.

§§407.005, 407.300 & 570.030 – Catalytic Converters

Officials from the **Department of Corrections (DOC)** state 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 prison	# to probation & parole	Cost per year	Total cost for probation and parole	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.

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** and the **Office of the State Public Defender** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the each 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.

§307.128 – Motorcycle Lighting

Officials from the **Missouri Department of Transportation**, **Missouri Highway Patrol** and **Department of Revenue** each assume the proposal will 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 this section.

§§301.558 & 307.380 – Dealer Administrative Fees

Officials from the **Department of Revenue (DOR)** assume the following regarding this part of the 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.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume 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.

Officials from the **Missouri Highway Patrol, Missouri Department of Transportation, Office of the State Treasurer and Attorney General's Office** each assume the proposal will 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 for these sections.

§304.050 – Head Start Buses

Officials from the **Missouri Department of Transportation, the Missouri Highway Patrol and the Department of Revenue** each assume the proposal will 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 this section.

Oversight notes the following number of misdemeanor charges were disposed as guilty for Section 304.050

FY 2020	59
FY 2019	45
FY 2018	40
FY 2017	58

Oversight assumes these changes will not materially alter the number of convictions (increased fine revenue, court cost revenue and local jail expense). Therefore, Oversight will reflect no fiscal impact from these changes.

§§303.025, 303.041, 303.240, 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
0.5	ACSR I needed = 1 FTE @ \$25,812

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
\$ 3,683	FY 2022 Letter Cost (6 months only)
\$7,550	FY 2023 Letter Cost
\$7,738	FY 2024 Letter Cost

193,830	Number of envelopes issued by the Department
x <u>\$.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
\$6,590	FY 2022 Envelope Cost (6 months only)
\$13,510	FY 2023 Envelope Cost
\$13,848	FY 2024 Envelope Cost

193,830	Number of notices issued by the Department
x <u>\$.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
\$ 53,304	FY 2022 Postage Cost (6 months only)
\$109,272	FY 2023 Postage Cost
\$112,003	FY 2024 Postage Cost

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
\$12,906	FY 2022 Salary (6 months only)

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. = \$,334
	\$14,089

This legislation will result in an unknown increase in hearings the Department will conduct in regards to appeals. If the increase in hearings is significant, the Department will request additional FTE 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
x 10%	Presumed percent of suspensions
19,383	Number of annual point suspensions
X 35%	Percent that reinstate annually
6,784	Number of annual reinstatements from these suspensions
x \$20	Reinstatement fee per suspension
\$135,680	Reinstatement fees collected annually
\ 12	Number of months in a year
\$11,307	Increase in reinstatement fees collected monthly
x 6	Number of months in FY 2022 after law becomes effective
\$67,842	Fees Collected in FY 2022 (6 months only)

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
<u>FY 2018</u>	<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, 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.

§301.131 – Historic Vehicles Mileage Limitation Removal

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

Administrative Impact

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

- Update procedures, specialty plate charts, correspondence letters, and the Department website;
- Update the Application for Missouri Historic or Personalized Historic License Plates (DOR-570);
- Update administrative rules; and
- Train staff.

FY 2022 – Motor Vehicle Bureau

Associate Research Data Analyst	10 hrs. @ \$18.50 per hr.	= \$185
Lead Admin Support Assistant	10 hrs. @ \$14.54 per hr.	= \$145
Administrative Manager	5 hrs. @ \$22 per hr.	= <u>\$110</u>
Total		= \$440

FY 2022 – Personnel Services Bureau

Associate Research Data Analyst	10 hrs. @\$18.50 per hr.	= \$185
Associate Research Data Analyst	10 hrs. @ \$18.50 per hr.	= \$185
Total		= \$370

Total Costs = **\$810**

It is presumed this proposal will allow any vehicle over twenty-five years old (model year 1994) to obtain an unrestricted permanent historic or year of manufacture motor vehicle registration.

Currently, there are 285,473 registered motor vehicles 25 years of age and older, that are operating with non-historic or year of manufacture registrations.

By removing the miles restriction and the miles driven logging requirement, this will open those owners, and also owners who do currently have historic or year of manufacture registrations, to obtaining an unrestricted permanent registration for those vehicles and usable as an everyday vehicle without annual or biennial renewal and fee requirements.

The Department provides the Historic Vehicle Log (DOR-4012) to registered historic and year of manufacture registration owners, but does not collect or maintain a record of the miles driven as recorded on the historic vehicle log.

The log is only required to be kept in the historic vehicle when the vehicle is driven on any state road. Therefore, there would be no impact to the Department for the removal of this requirement.

This proposed legislation may result in an increased number of historic and/or year of manufacture registrations processed and issued by the Department and an increase in telephone inquiries and email correspondence received by the Department. If the volume is more significant than anticipated, additional FTEs will be requested through the appropriations process.

The Department anticipates that they will be able to absorb these costs and that there will be no impact.

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.

Revenue Impact

DOR notes this legislation could result in an unknown, but potentially significant loss of revenue collected from registration fees on passenger vehicles and trucks that would now be allowed to obtain an unrestricted, permanent historic or year of manufacture registration on vehicles that are over 25 years old for only \$25.25.

The average registration fee for vehicles that qualify for historic license plates is \$33, which is \$7.75 more than the cost of historic license plates.

If every owner of a vehicle that qualifies for a historic license plate utilizes this permanent registration type since there will no longer be a mileage restriction, the state will potentially lose out on \$2,212,416 (number of current vehicles that qualify for a historic plate x the difference in registration fee cost between historic and average regular registration fee $\$33 - 25.25 = \$7.75 \times 285,473$) and approximately \$9,420,609 every year after (number of current vehicles that qualify

for a historic plate x the average registration fee for vehicles that qualify for a historic license plate \$33 x 285,473).

Registration fees collected are distributed 75% Highway Fund, 15% Cities, and 10% Counties.

	FY 2022		FY 2023 & After	
Amount to Distribute	\$2,212,416		\$9,420,609	
Distribution		FY 2022	FY 2023	FY 2024
Highways	75%	\$1,659,312	\$7,065,457	\$7,065,457
Cities	15%	\$331,862	\$1,413,091	\$1,413,091
Counties	10%	\$221,242	\$942,061	\$942,061

Oversight does not have information to the contrary; however, Oversight assumes not every person with a vehicle over 25 years old will register it as a historic vehicle. Oversight assumes more than or less than half of these vehicle owners will register their vehicle as a historic vehicle; therefore, Oversight will reflect the fiscal impact as “More than or Less than \$1,106,208” in FY 2022 and “More than or less than \$4,710,305” in FY 2023 and beyond.

§643.310 – Emissions Inspections

Officials at the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

The emissions inspection program is a federally-mandated program under the federally approved State Implementation Plan (SIP) for the current and historical St. Louis Ozone non-attainment area as found in 40 CFR Part 52. If requirements of the program are non-fulfilled, the Department risks losing the authority to implement and enforce federal regulations under the Clean Air Act (CAA) and/or sanctions for failing to meet federal SIP requirements.

If the emissions/inspection program is removed in whole or in part without the state following the required rule and SIP process, the Environmental Protection Agency (EPA) may implement one of the sanctions below as selected by the Administrator within 18 months. If the deficiency has not been corrected within six months, both types of sanctions shall apply.

1. Increased New Source Review Permitting offset ratio (affects air permittees in the area, making a permit harder to obtain.)
2. Federal Highway dollar sanctions.

Per CAA 179, these sanctions may only apply to the St. Louis area or may apply to any area of the state if EPA determines it is reasonable and appropriate.

The proposed legislation would result in lost revenue for DNR and potential loss of federal funding for Missouri. If the Department fails to fulfill the requirements of the SIP, it could affect their delegation under the federal Clean Air Act. If EPA finds us deficient in meeting their obligations under SIP, EPA could withdraw their delegation.

In this event, sources would be required to obtain Clean Air Act permits from EPA and EPA would be the compliance/enforcement authority for Clean Air Act requirements. The Department would have authority for only the Missouri Air Conservation Law (Chapter 643 RSMo) causing confusion and duplication of authority.

Moreover, if the state does not enforce the Gateway Vehicle Inspection Program (GVIP), EPA as part of the federally approved SIP could still enforce it for Missouri. Additionally, if a source is knowingly in violation of an approved implementation plan during a period of federally assumed enforcement, the source may be subject to criminal penalties, 42 USC section 7413(c)(1), as well as civil or administrative enforcement, 42 USC section 7413(b). The CAA allows the court to award a "bounty" of up to \$10,000 penalty to an individual that leads to a criminal, civil, or administrative penalty, 42 USC section 7413(f).

The "claw-back" provision found in 643.310(1) allows for the exception of certain counties to expire three years from the date the state is deemed to be in noncompliance. Because the requirement to operate an emissions inspection and maintenance program in these counties is part of Missouri's federally approved State Implementation Plan (SIP), the EPA has ultimate enforcement authority to deem our program insufficient. A finding of noncompliance may take several months to generate, According to the language of the "claw-back" the three year period does not begin until the notification of noncompliance.

However, according to the sanction provisions of the Clean Air Act, the Environmental Protection Agency (EPA) may implement one of the sanctions below as selected by the Administrator within 18 months. If the deficiency has not been corrected within six months, both types of sanctions shall apply.

1. Increased New Source Review Permitting offset ratio (affects air permittees in the area, making a permit harder to obtain.)
2. Federal Highway dollar sanctions.

Revenue Loss Assumption:

Fund 0267 Revenue for Air Emissions Reduction Fees (St. Charles County Inspections and Franklin and Jefferson County Inspections)

Average number of vehicles inspected in St. Charles County 205,636 x \$2.50 = \$514,090

Average number of vehicles inspected in Franklin and Jefferson County 258,032 x \$2.50 = \$645,080

The Air Emissions Reduction fees fund various emissions activities required by the federal Clean Air Act. The GVIP has been a component of the plan to bring the St. Louis area into attainment. The St. Louis area plan includes more stringent air quality regulations and permitting measures than other areas of the state due to historical air quality issues. These requirements include gasoline vapor recovery, emissions inspection (GVIP), and stricter industrial regulations. The removal of the inspection maintenance program does not affect other current air quality requirements, though EPA would require additional efforts by existing staff to demonstrate the impact of the program's removal on the current and future air quality to avoid potential sanctions.

Elimination of the GVIP in St. Charles, Franklin and Jefferson Counties would likely result in the loss of approximately two Air Pollution Control Program staff located in St. Louis. The other staff (approximately 3 FTE) that conduct the remaining emissions activities and oversight for St. Charles County would need to be shifted from fund 0267 appropriations to other Department fee funds and eligible federal grants. Currently, there is not sufficient funding available from these fund sources to sustain these emissions activities on an on-going basis.

Oversight does not have any information to the contrary in regards to DNR's assumptions; therefore, Oversight will reflect DNR's loss of revenue because DNR is no longer completing emissions testing on vehicles in St. Charles, Franklin and Jefferson Counties and the savings associated with the elimination of two FTE on the fiscal note.

Due to the uncertainty of the EPA's decision, Oversight will not assume Franklin County and Jefferson County, without this bill, will continue to be included in the GVIP program.

Oversight notes there was a \$1,861,183 balance in the Missouri Air Emission Inspection Fund (0267) as of December 31, 2020.

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

Administrative Impact

As the Department would no longer verify an emissions inspection for vehicle owners residing in St. Charles County, various department systems and procedures would need modifications to exclude the requirement of an emissions inspection for St Charles County.

FY 2022 – Motor Vehicle Bureau (MVB)

Associate Research/Data Analyst	230 hrs. @ \$18.50 per hr.	= \$4,255
Research/Data Analyst	53 hrs. @ \$23.09 per hr.	= \$1,224
Administrative Manager	9 hrs. @ \$21.57 per hr.	= \$ 194
Total		\$5,673

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.	= <u>\$ 241</u>
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 **\$15,081** in FY 2022 (158.75 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 assumes DOR may incur additional programming expense to include Franklin and Jefferson Counties.

Officials from the **Missouri Department of Transportation** assume if the federal government determines that Missouri is out of compliance with its approved State Improvement Plan (SIP), then federal highway funds could be withheld as punishment. The federal government has the authority to restrict any amount of funds at their discretion.

Oversight will range the fiscal impact of the potential loss of federal highway funds from \$0 (EPA does not withhold funding) to a loss of up to \$26 million in FY 2023 (first year Missouri found to be noncompliant with federal regulations) and a loss of up to \$52 million in FY 2024 (second year Missouri found to be noncompliant with federal regulations). This amount has been utilized by MoDOT and Oversight in other proposals that have potential federal funding withheld from non-compliance.

Officials from the **Missouri Highway Patrol** and **Department of Elementary and Secondary Education** 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.

§227.101 – MoDOT Publishing of Contracts/Bids for Projects

Officials from the **Missouri Department of Transportation** assume the proposal will 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.

Section 1 – Commercial Vehicle Parking

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

Bill as a Whole

Oversight only reflects the responses that they have received from state agencies and political subdivisions; however, other cities and counties 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.

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 with 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Cost – DOR – OA- ITSD services (§301.033) p. 7</u>	(\$60,432)	\$0	\$0
<u>Cost – DOR – OA- ITSD services (§§301.192, 301.280, 407.526, 407.536 & 407.556) p. 8</u>	(\$15,288)	\$0	\$0
<u>Cost – DOR – OA- ITSD services (§301.558) p. 13</u>	(\$67,306)	(\$6,731)	(\$6,731)
<u>Cost – DOR – OA- ITSD services (§302.755) p. 10</u>	(\$26,881)	\$0	\$0
<u>Cost – DOR – OA- ITSD services (§§303.420 to 303.440) p. 20</u>	(\$354,996)	\$0	\$0
<u>Cost - DOR - OA- ITSD services (§643.310) p. 27</u>	Could exceed (\$15,081)	\$0	\$0
<u>Costs – DOC – Section 407.300 p. 11-12</u>	(\$6,463)	(\$15,822)	(\$16,139)
<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<u>Transfer Out – to the Motor Vehicle</u>	\$0	\$0 or	\$0 or

Financial Responsibility Verification and Enforcement Fund – start-up expenses before revenue stream is established (§§303.420 to 303.440) p. 16		(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	Could exceed (<u>\$546,447</u>)	Could exceed (<u>\$22,553</u>)	Could exceed (<u>\$22,870</u>)
HIGHWAY FUND			
<u>Revenue</u> – MHP Fees from records requests (§43.253) p. 3	\$5,000	\$5,000	\$5,000
<u>Loss</u> – decrease in registration fees for permanent historic registrations (§301.131) p. 23	More than or less than (<u>\$829,656</u>)	More than or less than (<u>\$3,532,729</u>)	More than or less than (<u>\$3,532,729</u>)
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	More or less than (<u>\$824,656</u>)	More or less than (<u>\$3,527,729</u>)	More or less than (<u>\$3,527,729</u>)
<u>FISCAL IMPACT</u> – State Government	FY 2022 (10 Mo.)	FY 2023	FY 2024
MISSOURI AIR EMISSION			

INSPECTION FUND (0267)			
<u>Savings</u> - DNR - loss of 2 FTE due to no longer requiring emissions inspections in St. Charles, Franklin and Jefferson Counties (§643.310) p. 24-26	\$118,287	\$143,125	\$144,317
Total FTE Change - DNR	(2 FTE)	(2 FTE)	(2 FTE)
<u>Loss</u> - DNR - lost revenue due to no longer requiring emissions inspections in St. Charles, Jefferson, and Franklin Counties (§643.310) p. 24-26	<u>(\$965,975)</u>	<u>(\$1,159,170)</u>	<u>(\$1,159,170)</u>
ESTIMATED NET EFFECT ON THE MISSOURI AIR EMISSION INSPECTION FUND	<u>(\$847,688)</u>	<u>(\$1,016,045)</u>	<u>(\$1,014,853)</u>
<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
MOTOR VEHICLE ADMINISTRATION			

TECHNOLOGY FUND			
<u>Revenue</u> – DOR – 10% of administrative fee charged by dealers – ranged from \$100 to \$500 per administrative fee (§301.558) p. 13-14	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>
ESTIMATED NET EFFECT ON THE MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND	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>
MOTOR VEHICLE FINANCIAL REPSONSIBILITY VERIFICATION AND ENFORCEMENT FUND			
<u>Transfer In</u> – from General Revenue (§303.420 to 303.440) p. 21	\$0	\$0 or Unknown	\$0 or Unknown
<u>Revenue</u> – money collected (§303.420 to 303.440) p. 21	\$0	\$35,400 to \$177,100	\$70,800 to \$354,200
<u>FISCAL IMPACT</u> – State Government	FY 2022 (10 Mo.)	FY 2023	FY 2024

Cost – DOR to administer program (303.420 to 303.440) p. 20	<u>\$0</u>	(Unknown)	(Unknown)
FTE Change – DOR	0 FTE	Unknown FTE	Unknown FTE
ESTIMATED NET EFFECT ON THE MOTOR VEHICLE FINANCIAL RESPONSIBILITY VERIFICATION AND ENFORCEMENT FUND	<u>\$0</u>	Less than \$35,400 to <u>\$177,100</u>	Less than \$70,800 to <u>\$354,200</u>
Estimated Net FTE Change to the Motor Vehicle Financial Responsibility Verification and Enforcement Fund	0 FTE	Unknown FTE	Unknown FTE
FEDERAL HIGHWAY FUNDS			
Loss - potential loss of federal highway funds if Missouri is found to be noncompliant – shall expire in 3 years (§643.310) p. 28	<u>\$0</u>	<u>\$0 or (Up to \$26,000,000)</u>	<u>\$0 or (Up to \$52,000,000)</u>
ESTIMATED NET EFFECT ON FEDERAL HIGHWAY FUNDS	<u>\$0</u>	<u>\$0 or (Up to \$26,000,000)</u>	<u>\$0 or (Up to \$52,000,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISIONS			
<u>Fine Revenue</u> – School Districts - from the changes in the proposal (§§301.010 & 304.240) p. 6	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<u>Loss</u> (Cities 15%) – decrease in registration fees for permanent historic registrations (§301.131) p. 23-24	More than or less than (\$165,931)	More than or less than (\$706,546)	More than or less than (\$706,546)
<u>Loss</u> (Counties 10%) – decrease in registration fees for permanent historic registrations (§301.131) p. 23-24	More than or less than (\$110,621)	More than or less than (\$471,031)	More than or less than (\$471,031)
<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. 21	\$0	(Unknown)	(Unknown)
<u>Fine Revenue</u> – to schools §407.300	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	More or less than <u>(\$276,552)</u>	More or less than <u>(\$1,177,577)</u>	More or less than <u>(\$1,177,577)</u>

FISCAL IMPACT – Small Business

Various small businesses could be impacted by this proposal.

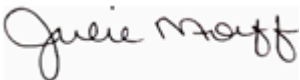
FISCAL DESCRIPTION

This proposal modifies provisions relating to transportation.

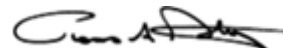
This legislation is partially federally mandated (§302.755), would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Department of Transportation
Missouri Highway Patrol
Attorney General's Office
Department of Revenue
Department of Elementary and Secondary Education
Office of Administration
Office of Administration – Budget & Planning Division
Missouri Department of Economic Development
Missouri State Treasurer's Office
Office of the State Public Defender
Office of the State Courts Administrator
Department of Public Safety – Director's Office
Missouri Office of Prosecution Services
Missouri Department of Agriculture
Department of Health and Senior Services
Department of Corrections
City of Ballwin
City of Corder
City of Claycomo
City of Hale
City of Houstonia
City of Kanas City
City of La Monte
City of O'Fallon
City of Springfield
City of St. Louis



Julie Morff
Director
June 15, 2021



Ross Strobe
Assistant Director
June 15, 2021