

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0172-01  
Bill No.: HB 360  
Subject: Highway Patrol; Licenses - Drivers; Licenses- Motor Vehicle; Roads and Highways  
Type: Original  
Date: February 16, 2009

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Bill Summary: This proposal amends laws relating to the regulation of highways.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$523,210)	(\$555,128)	(\$571,781)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$523,210)</b>	<b>(\$555,128)</b>	<b>(\$571,781)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Highway Funds	\$86,026	\$103,230	\$103,230
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$86,026</b>	<b>\$103,230</b>	<b>\$103,230</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$28,674</b>	<b>\$34,410</b>	<b>\$34,410</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of the State Courts Administrator, Missouri Department of Transportation** and the **Missouri Highway Patrol** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Revenue (DOR)** assume the following costs:

Section 302.289 - Motor Vehicle Bureau = DOR expects the number of abandoned vehicle record searches completed by DOR and corresponding notices to vehicle owners to increase by 100%, or 351 per week, 18,352 per year. A Revenue Licensing Tech can process about 12 searches per hour. DOR anticipates that 50% of these applicants (9,176) will not comply with the notice, requiring DOR to suspend their registration. A Revenue Licensing Tech can process about 10 suspensions and related searches an hour.

DOR will need to:

- Revise policies and procedures;
- Notify 400 tow companies throughout Missouri of the change in legislation at a cost of \$154 in FY '10 to General Revenue for printing, postage, and envelopes;
- Revise GRS to accommodate a new suspension code;
- Revise GRS to issue the "suspension notice" letters;
- Process 18,352 additional record searches each year, issue the "first" notices to 18,352 vehicle owners, and suspend 9,176 records/issue related suspension notices each year.

DOR will require funding for 2 Revenue Licensing Techs and 1 Telephone Information Operator to perform these additional functions, respond to related telephone calls/emails, supporting expenses, and equipment for the three fiscal years respectively. Postage and envelope costs for the three mailings required are also included.

FY '10	FY '11	FY 12
\$127,476	\$134,741	\$138,783

Section 302.289 Drivers License Bureau = Will have to create a suspension pending notice that will be mailed to the registered owner. DOR assumes the fee that is listed in subsection 3 that cannot exceed \$10 is an additional fee that would be applied if the registered owner requests a hearing. DOR would incur cost of the printing of the notice, postage, and envelope when sending out the notification to the registered owner. Total estimated number of suspension notices, based on statistics provided by the Motor Vehicle Bureau, is 9,176. Total cost for forms,

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envelops and

ASSUMPTION (continued)

postage.

FY2010	FY2011	FY2012
\$ 3,540	\$ 4,248	\$ 4,248

When DOR receives the notification from the towing company that the owner has failed to pay their charges, the Driver License Bureau will need to insure that enough information is provided to suspend the correct person's license as the Motor Vehicle Registration System and the Driver License System are not compatible. DOR would require a new subsystem for processing in the Driver License system (MODL). This would require testing that would be absorbed by the department with current staff.

The Driver License Bureau will need 1 additional Revenue Licensing Tech I position to process the suspension notification, compliance information and reinstatement requirements. DLB estimates that approximately 9,176 suspensions will be generated each year and assumes that 50% of those suspended will request a hearing based on the current rate of hearings requested for other administrative suspensions. The hearings will require 4 additional Appeals Referee (Administrative Hearing Officer) positions to conduct the hearings and issue a final order. DLB will also need 2 additional Senior Office Support Assistant – Keyboarding positions to answer phones, prepare the hearing docket, and issue hearing letters. \$10 hearing request fee would generate approximately \$34,410 and reinstatement fees would generate approximately \$68,820 per year.

Officials at the **OA-Information Technology-DOR** assume that this could be implemented utilizing 3 existing CIT III's for 9 months at a rate of \$4,441 and an additional FTE for 1 month at a rate of \$4,441. This is total effort valued at \$124,348. ITSD DOR estimates the IT portion of this request can be accomplished within existing resources; however, if priorities shift, additional FTE/overtime would be needed to implement.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the

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office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a

ASSUMPTION (continued)

review of the finally approved bills signed by the governor.

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

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Dept of Revenue</u>			
Personal Service	(\$289,162)	(\$357,405)	(\$368,126)
Fringe Benefits	(\$140,619)	(\$173,806)	(\$179,020)
Equipment and Expenses	<u>(\$73,406)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - DOR</u>	(\$503,187)	(\$531,211)	(\$547,146)
FTE Change - DOR	10 FTE	10 FTE	10 FTE
<u>Costs - DOR</u>			
printing and mailings	<u>(\$20,023)</u>	<u>(\$23,917)</u>	<u>(\$24,635)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$523,210)</u></b>	<b><u>(\$555,128)</u></b>	<b><u>(\$571,781)</u></b>
Estimated Net FTE Change on General Revenue Fund	10 FTE	10 FTE	10 FTE
<b>HIGHWAY FUNDS</b>			
<u>Income - reinstatement &amp; hearing fees</u>	<u>\$86,026</u>	<u>\$103,230</u>	<u>\$103,230</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUNDS</b>	<b><u>\$86,026</u></b>	<b><u>\$103,230</u></b>	<b><u>\$103,230</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>LOCAL GOVERNMENT FUNDS</b>			
<u>Income - Cities</u>			
15% reinstatement & hearing fees	\$17,204	\$20,646	\$20,646
<u>Income - Counties</u>			
10% reinstatement & hearing fees	<u>\$11,470</u>	<u>\$13,764</u>	<u>\$13,764</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT FUNDS</b>	<b><u>\$28,674</u></b>	<b><u>\$34,410</u></b>	<b><u>\$34,410</u></b>

FISCAL IMPACT - Small Business

An individual who has had a vehicle towed can have the registration suspended on any vehicle registered in their name therefore, the towing companies may recoup their towing charges quickly. This could affect small businesses as well as large businesses that own vehicles.

FISCAL DESCRIPTION

This bill establishes the procedures for a towing company to recover reasonable towing and storage fees after towing abandoned property from public property when directed by law enforcement. The towing company can file within 30 days, but not more than 45 days after removal, an affidavit along with an application including certain information regarding the personal property towed as well as a copy of the crime inquiry and inspection report to the Department of Revenue.

Within five days of receipt of the application, the department director must send notice to the registered owner of the abandoned property that a claim for reasonable towing and storage charges has been filed. If the owner does not provide satisfactory proof of payment of the charges within 30 days of receiving the notice, the owner's driver's license or driving privileges and any motor vehicle registrations registered in the owner's name will be suspended. A notice of suspension must be mailed to the registered owner at the last known address specifying the reasons for and the effective date of the suspension and include information regarding the right and procedures for requesting a hearing.

The suspension becomes effective 30 days after it is deemed the notice has been received and will continue until the owner submits proof that he or she has satisfied all reasonable towing and

storage charges associated with the abandoned property. Reasonable storage charges cannot

FISCAL DESCRIPTION (continued)

exceed 90 days.

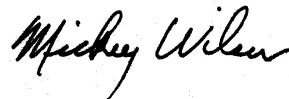
The State Highway Patrol may use a rotation list when requesting wrecker or towing services.

The bill also allows any vehicle responding to an emergency or critical situation on a state highway to use amber lights instead of red or blue lights when there is a threat of serious physical injury or death.

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

SOURCES OF INFORMATION

Office of the State Courts Administrator  
Office of the Secretary of State  
Missouri Highway Patrol  
Department of Revenue  
OA-Information Technology-DOR  
Missouri Department of Transportation



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Director  
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