

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6120-01
Bill No.: HB 1994
Subject: Motor Vehicles; Licenses - Motor Vehicle; Department of Revenue
 Transportation; Crimes and Punishment; Drunk Driving/ Boating
Type: Original
Date: March 20, 2014

Bill Summary: This proposal requires anyone convicted of two or more driving while intoxicated violations within 10 years to surrender their license plates and be issued special identifying license plates for persistent DWI offenders.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

- 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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator**, the **Department of Corrections** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

§ 301.185

Officials from the **Department of Revenue (DOR)** assume this legislation requires courts to issue an order requiring that the license plates of all motor vehicles registered by any person with a second or subsequent conviction of violating Section 577.010 or 577.012, be surrendered to the court. The court shall notify the Director of Revenue within ten days of the order, and then the Director shall revoke each such license plate. The courts shall then send the plates to the local fee office.

The person to whom to the court order was issued may apply to the Director for new license plates bearing a special series of numbers and letters to identify it as such to law enforcement. The individual must submit an application to the Department and present a case stating there is an individual in his or her household with a valid driver's license who is a co-owner of such vehicle whom would be caused undue hardship with such special license plates. The Director must issue a decision within five business days of their application granting or denying such plates.

This section prohibits the Director from allowing an individual issued such order to sell a vehicle unless the Director determines the sale is in good faith and is not for purposes of circumventing the provisions of the section.

This will require one full time Administrative Analyst I in order to review applications for special license plates, research the case presented, ensure such individuals within the household have a valid driver's license and issue a decision on behalf of the Director granting or denying the issuance of such plates.

This will also require one full time Administrative Analyst I in order to handle the workload based on the requirement for the Director to ensure he or she does not allow the sale of a vehicle owned by an individual until the sale is confirmed under good faith.

ASSUMPTION (continued)

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 section of the proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Administrative Impact

Department of Revenue assumes following procedures will need to be implemented for the changes in this proposal:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$840 in FY `15.
- The Department's website will need to be updated. This will require ten hours for an Administrative Analyst III, at a cost of \$230 in FY `15.
- The Department will need to create the appropriate forms to carry out these provisions. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$840 in FY `15.
- A management Analyst Specialist I will be required to create a new plate configuration that will not conflict with any existing plate configurations. This will require 20 hours for a Management Analyst Specialist I, at a cost of \$420 in FY `15.
- MVB testing for identified system modifications. A Management Analyst Specialist I will have 40 hours of testing at a cost of \$840 in FY `15.
- The Department will request two Administrative Analysts to enforcement the new requirements.
- ITSD will require 1,208 hours of modification to the General Registration System and the Title and Registration Intranet Processing system at a cost of \$27.30 an hour. Total cost equals \$32,978.

In summary, DOR assumes a cost of \$36,148 ($\$840 + \$230 + \$840 + \$420 + \$840 + \$32,978$) in FY 2015 to provide for the implementation of the changes in this proposal.

Oversight assumes at least some of these expenses could be absorbed by DOR.

ASSUMPTION (continued)

Specialty Plates:

The Department will be required to stock all 182 license offices with the specialty plate created under this proposal. The Department assumes this will be a "flat plate" which costs \$3.50 per plate. The Department determined that in 2013 alone, there would have been a potential for 1,287 individuals that would be subject to the court order.

The Department will need to produce enough plates to stock each license office with an efficient amount. During the initial implementation, the Department will provide 20 sets of plates to each license office. One set will cost \$7.

182 offices x 10 sets of plates = 1,820 sets x \$7 a set = \$12,740.

Revenue Impact

The Department has to assume a certain percentage of individuals will request the special license plates. The Department is assuming that, based on the 2013 numbers, 10% of the offenders will request and receive such plates each year. It's not clear if the \$20 fee for such plates can be charged at renewal. This fiscal note is prepared with the interpretation that it is not.

FY '15, '16 & '17

129 applicants x \$20 fee = \$2,580

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

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Revenue - DOR</u>	Less than	Less than	Less than
Specialty plate fees	\$100,000	\$100,000	\$100,000
<u>Cost - DOR</u>	(Less than	(Less than	(Less than
Processing costs for specialty plates	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Less than \$100,000) to Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

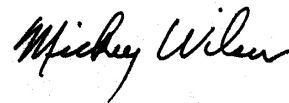
FISCAL DESCRIPTION

This proposal requires anyone convicted of two or more driving while intoxicated violations within 10 years to surrender their license plates and be issued special identifying license plates for persistent DWI offenders.

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

SOURCES OF INFORMATION

Department of Revenue
Office of the State Courts Administrator
Department of Corrections
Department of Public Safety



Mickey Wilson, CPA
Director
March 20, 2014

Ross Strobe
Assistant Director
March 20, 2014