

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0744-04
Bill No.: SCS for HB 256
Subject: Buses; Drunk Driving/Boating; Federal - State Relations; Highway Patrol; Insurance - Automobile; Motor Carriers; Motor Vehicles; Department of Revenue; Roads and Highways; Transportation; Department of Transportation
Type: Original
Date: April 21, 2017

Bill Summary: This proposal enacts provisions relating to motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** state the following regarding this proposal:

§105.1073

Applies to the limits of liability for state-controlled motor vehicles.

§303.020(10)

Changes the definition of "Proof of financial responsibility" to reflect the increase of liability limits for destruction of property from \$10,000 to \$25,000.

§303.022

A new section that allows coverage issued or renewed prior to July 1, 2018 under the current limits of liability to be acceptable proof for the remainder of the term of the policy.

§303.030.5

Increases the limits of liability for property damage from \$10,000 to \$25,000 when a Power of Attorney is executed on behalf of an insurance company that is not authorized to write insurance policies in the state of Missouri.

§303.120

Increases the amount deemed to satisfy a court judgment rendered against an uninsured motorist for damages caused in a motor vehicle crash.

§303.190

Increases the minimum liability insurance coverage required for destruction of property caused in a motor vehicle accident.

§303.240

Increases the amount of cash or other securities that may be deposited as proof of financial responsibility in lieu of a liability insurance policy.

ASSUMPTION (continued)

Administrative Impact

Driver License Bureau (DLB) FY 2018

The proposed legislation will result in changes to the accident processing area and self-insurance program by increasing the amount of security that can be required for an uninsured motorist accident and self-insurance certificates. This will also result in existing self-insured individuals being required to deposit additional securities to be compliant with the new limits of liability (\$75,000). The Department will be required to make changes to existing procedures, training of staff, and notifications sent to Missouri's self-insured entities and Insurance Power of Attorneys.

Procedure changes, training, and notifications:

Management Analysis Spec II - 80 hours @ \$23.61 =	\$1,889
Revenue Band Manager I - 40 hours @ \$25.93 =	\$1,037

The following revisions will also be required:

- Forms
- Website
- Driver Guide

Administrative Analyst III - 20 hours @ \$22.59 =	\$452
Management Analysis Spec I - 40 hours @ \$20.94 =	\$838
Revenue Band Manager I - 40 hours @ \$25.93=	<u>\$1,037</u>
Total Administrative Cost	\$5,253

The Department assumes it will be able to absorb the above listed costs. If multiple bills pass which require Department resources and updates, the Department could request additional FTE's and related equipment and expenses through the appropriation process.

DOR also notes this language is required to comply with federal requirements for "repeat" intoxication-related offenders under 23 U.S.C. § 164. This applies to a circumstance where state law allows a court-ordered waiver of ignition interlock device (IID) installation and use for motor vehicles which are solely owned and controlled by the offender's employer.

Federal law requires either IID installation for repeat intoxication-related offenders (two offenses within a five-year period) for limited driving privileges or license reinstatement OR a 'hard walk' or mandatory license suspension period.

ASSUMPTION (continued)

If an IID waiver for an employer-owned vehicle is allowed by state law, it must comply with the federal requirements and apply only in situations where the repeat offender has no ownership interest in or control over the entity that owns the vehicle.

This language is required to comply with federal requirements for "repeat" intoxication-related offenders under 23 U.S.C. § 164. This applies to a circumstance where state law allows a court-ordered waiver of ignition interlock device (IID) installation and use for motor vehicles which are solely owned and controlled by the offender's employer.

This language was not contained in the version of §302.440 passed in the 2016 legislative session, and is required. Failure to include the language will place Missouri out of compliance with federal law for repeat intoxication-related offenders and will result in the possible loss or withholding of federal highway aid funds.

Officials from the **Department of Transportation** assume the proposal will have an unknown positive fiscal impact.

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

In response to a previous version, (LR # 0744-03), officials from the **Department of Labor and Industrial Relations** and **Office of the State Treasurer** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a previous version, (LR # 0744-02), officials from the **Office of the State Public Defender** assumed the proposal would have no fiscal impact on their organization.

In response to a previous version, (LR # 0744-02), officials from the **Office of the Secretary of State (SOS)** affirmed 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.

ASSUMPTION (continued)

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 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 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 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have an impact on religious organizations, self-insured companies and insurance power of attorneys.

FISCAL DESCRIPTION

This bill removes a restriction on the use of white and amber lights by the state highways and transportation commission or contractors thereof so that lights may be used outside of work zones where vehicles are stationary and workers are present. Leased vehicles may now be equipped with such lights by the commission.

This bill increases, from ten thousand dollars to twenty-five thousand dollars, the minimum motor vehicle liability coverage a person must carry for others' property when operating a motor vehicle.

FISCAL DESCRIPTION (continued)

This bill specifies that exemptions for ignition interlock device requirements shall not be granted to individuals who are self-employed or who wholly or partially own or control an entity that owns an employer-owned vehicle.

This bill modifies the definition of "autocycle" to include partially or completely enclosed vehicles with a non-straddle-type seating area. This bill removes statutory requirements for certain safety features, and instead requires that the vehicle meet applicable National Highway Traffic Safety Administration requirements or federal motorcycle safety standards.

This bill changes what entity may designate the roads on which a 14-foot length limit applies; and who shall issue permits for the movement of sludge disposal units, pump trucks, well-driller's equipment, and utility wires, poles, and equipment; from the chief engineer of MODOT to the state Highways and Transportation Commission. This bill also provides that stinger-steered combination automobile transporters up to 80 feet long may be operated on or within 10 miles of interstates and other highways designated by the state Highways and Transportation Commission, and that automobile transporters may carry cargo on a back-haul, so long as it complies with weight limitations for regular tractor-trailers. No tow-away trailer transporter combination vehicles operating on the interstate or designated primary highway system shall exceed a length of 82 feet. This bill also prescribes separate weight limits for emergency vehicles, and for vehicles powered by natural gas.

This bill modifies motor vehicle length regulations to allow for operation of articulated buses of up to sixty feet in length, not including safety bumpers and bicycle storage racks.

This bill provides that lamps, lights, and other pieces of vehicle lighting equipment that consist of multiple light-emitting diodes shall be deemed to be operating properly so long as at least seventy-five percent of the light-emitting diodes are operating properly.

Under current law, motor vehicles and equipment owned by the State Highways and Transportation Commission or a contractor or subcontractor performing work for the Department of Transportation may use or display fixed, flashing, or rotating amber or white lights only when the vehicle is stationary in a work zone and while highway workers are present. This bill permits use of such lights at any time. The bill also permits such use by motor vehicles and equipment which are leased by the commission or a contractor or subcontractor.

ASSUMPTION (continued)

In addition, this federal mandate bill makes changes to Missouri law to comply with the Fixing America's Surface Transportation Act of 2015. In its main provisions, the bill:

(1) Changes definitions for specified terms including "automobile transporter," which is now defined as any vehicle combination capable of carrying cargo on the power unit and designed and used for the transport of assembled motor vehicles, including truck camper units; "backhaul" is the return trip of a vehicle transporting cargo or general freight, especially when carrying goods back over all or part of the same route; "Boat transporter," is any vehicle combination capable of carrying cargo on the power unit and designed and used specifically to transport assembled boats and boat hulls and boats may be partially disassembled to facilitate transporting; "towaway trailer transporter combination," is a combination of vehicles consisting of a trailer transporter towing unit and two trailers or semi-trailers, with a total weight that does not exceed 26,000 pounds; and in which the trailers or semi-trailers carry no property and constitute inventory property of a manufacturer, distributor, or dealer of such trailers or semi-trailers; "trailer transporter towing unit," is a power unit that is not used to carry property when operating in a tow-away trailer transporter combination;

(2) Changes the requirements for stinger-steered combination automobile transporters having a length not in excess of 85 may be operated on the interstate highways of this state and such other highways as may be designated by the commission for the operation of such vehicles plus a distance not to exceed 10 miles from such interstate or designated highway. All length provisions regarding stinger-steered automobile combination transporters are exclusive of front and rear overhang, which shall be no greater than a four-foot front overhang and no greater than a six-foot rear overhang;

(3) Allows automobile transporters to transport cargo or general freight on a back-haul, in compliance with weight limitations for a truck-tractor and semitrailer combination as outlined in Section 304.180, RSMo;

(4) Requires any towaway trailer transporter combination vehicle operated upon the interstate and designated primary highway system in this state to have an overall length of not more than 82 feet;

(5) Allows the commission to make specified exceptions regarding additional routes for use by 65 foot combinations, 75 foot stinger-steered combination boat transporters, 80 combination automobile transporters, or 75 foot saddle-mount combinations;

FISCAL DESCRIPTION (continued)

(6) Allows emergency vehicles designed to be used under emergency conditions to transport personnel and equipment and to mitigate hazardous situations to have a maximum gross vehicle weight of 86,000 pounds inclusive of 24,000 pounds on a single steering axle; 32,500 on a single drive axle; 62,000 on a tandem axle; or 52,000 on a tandem rear drive steer axle;

(7) Allows a vehicle operated by an engine fueled primarily by natural gas to operate on state highways in excess of the vehicle weight limits in these provisions by an amount that is equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system. The maximum gross vehicle weight of the vehicle operating with a natural gas engine shall not exceed 82,000 pounds; and

(8) Updates language to reflect the State Highways and Transportation Commission.

There is an emergency clause for section 307.175.

Sections 105.1073, 303.020, 303.030, 303.120, 303.190 and 33.240 have an effective date of July 1, 2018.

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

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Department of Agriculture
Department of Mental Health
Department of Health and Senior Services
Office of Administration
Office of Prosecution Services
Office of the State Courts Administrator
Office of the State Public Defender
Department of Labor and Industrial Relations
Office of the Secretary of State
Office of the State Treasurer
Department of Public Safety - Missouri Highway Patrol
Department of Corrections



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April 21, 2017

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