

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0962-01
Bill No.: HB 312
Subject: Motor Vehicles; Roads and Highways
Type: Original
Date: January 27, 2017

Bill Summary: This proposal restricts the use of handheld communications devices while driving unless the device is equipped for hands-free operation and is being used in that manner.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$13,284)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$13,284)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Highway Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on Other State Funds	Less than \$100,000	Less than \$100,000	Less than \$100,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Federal Highway Funds	\$0 or (\$33,000,000)	\$0 or (\$66,000,000)	\$0 or (\$66,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or (\$33,000,000)	\$0 or (\$66,000,000)	\$0 or (\$66,000,000)

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	Less than \$100,000	Less than \$100,000	Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

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

§304.820

This proposal removes the specific language prohibiting a commercial motor vehicle operator from using a hand held device and wireless communications device while operating a commercial motor vehicle. It also removes the language prohibiting texting while driving for drivers 21 years of age and under and replaces it with language prohibiting all drivers from operating a motor vehicle while using a hand-held electronic device. It also prohibits persons less than 18 years of age or persons with an instruction permit or intermediate license regardless of age, from operating a motor vehicle while using an electronic wireless communication device, whether hands-free or not.

These offenses require assessment of 2 points only upon a fourth or subsequent conviction pursuant to §302.302. The courts may also submit failure to appear suspension notices pursuant to §302.341 for these offenses when the violations are committed in a work zone, when highway workers are present, and in areas that are designated as a school zone that are visibly marked by traffic control devices.

The Department assumes that Office of the State Courts Administrator or Office of Prosecution Services will be responsible for developing a tracking system for the courts to determine the fines to be collected based on the number of violations, and send a record of conviction to the department on fourth and subsequent offenses for the assessment of points.

Administrative Impact

Since this is considered a primary law, which allows law enforcement to stop a driver suspected of operating a motor vehicle in violation of this section, the volume of convictions received and processed by the department will increase.

The increase in convictions will result in an increase of point warning and suspension/revocation notices for the accumulation of points. This will result in more customers contacting the department. There are no statistics available to determine exactly how many additional convictions will result from this proposal. Therefore, forms and postage cost are unknown. If the volume is significant enough that it cannot be absorbed by existing staff, additional FTE(s) will be requested through the appropriation process.

ASSUMPTION (continued)

Administrative Impact (continued)

FY 2018

Requires programming, testing and implementation to develop two new conviction codes to assess two points on the driver record for the offenses of "using a hand-held device while driving" and "using a communication device while driving".

Administrative Analyst I - 40 hours @ \$26 (1 ½) per hour	=	\$1,040
Management Analyst I - 40 hours @ \$22 per hour	=	<u>\$880</u>
		Total = \$1,920

Requires the following:

- Updates to Forms
- Updates to Website
- Training of Staff

Management Analyst I - 40 hours @ \$22 per hour = \$880

OA-ITSD services will be required at a cost of \$13,284 (177.12 hours x \$75 per hour) in FY 2018.

In summary, DOR assumes a cost of \$16,084 (\$1,920 + \$880 + \$13,284) in FY 2018.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the administrative costs related to this proposal and will reflect a cost of \$13,284 for OA-ITSD services.

Revenue Impact

The increase in reinstatement fees collected is unknown. The fees collected will be distributed 75% Highway Funds, 15% Cities, and 10% Counties.

ASSUMPTION (continued)

Federal Funds Impact

By removing the specific language for commercial vehicle operators and not allowing these offenses to be assessed points until a fourth or subsequent offense, this proposal may violate federal Commercial Driver License (CDL) provisions prohibiting masking of traffic violations and record keeping requirements for convictions and license actions committed in any type of vehicle under 49 CFR §384, specifically, the provisions of §384.225(d), as adopted in Missouri under §302.347, for offenses committed by those required to possess a CDL. This proposal would likely jeopardize federal compliance (49 CFR Part 384) for Missouri's CDL program, would risk the loss of substantial federal highway funding to the state via withholding (49 CFR § 383.401), and could result in decertification (49 CFR § 384.405), meaning Missouri would be unable to issue CDL credentials.

Failure to comply with federal regulations (49 CFR Part § 384) could result in the loss of Missouri's portion of federal highway funds, with the first year of non-compliance resulting in 5% reduction (approximately \$33 million), and each subsequent year subject to a 10% reduction (approximately \$66 million). Missouri may lose the ability to issue CDL's if it is not compliant.

Oversight will range the fiscal impact from \$0 (does not put Missouri out of compliance) to a loss of \$33 million in federal highway funds in FY 2018 and a loss of \$66 million in subsequent years (if Missouri is found out of compliance) .

Officials from the **Department of Transportation, Department of Insurance, Financial Institutions and Professional Registration, Office of the State Courts Administrator, Office of Prosecution Services** and **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

The Missouri Highway Patrol (MHP) reported that only 57 tickets for texting while driving for 21 years of age or under were issued in 2015 and 76 issued in 2016, **Oversight** assumes a relatively minimal amount of fine revenue and license reinstatement revenue will be collected by expanding the offense to everyone.

Also, since it is unknown how many additional convictions the proposal will result in (depending on enforcement by peace officers as well as actions by prosecutors and judges), **Oversight** will assume a "Less than \$100,000" impact to the Highway Fund, Cities and Counties for additional reinstatement fees as well as a "Less than \$100,000" impact to revenue to local political subdivisions for additional fine revenue.

ASSUMPTION (continued)

Additional fine revenue received by local school districts may count as a deduction in the following year in determining their state aid apportionment, if the district is not a 'hold harmless' district. For simplicity, Oversight will only reflect the increase in fine revenue as a positive impact to local political subdivisions.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Cost - DOR - IT services</u>	<u>(\$13,284)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$13,284)</u>	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND			
<u>Revenue - Reinstatement fees (75%)</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
FEDERAL FUNDS			
<u>Loss - DOR - Federal Highway funds not received due to noncompliance</u>	\$0 or <u>(\$33,000,000)</u>	\$0 or <u>(\$66,000,000)</u>	\$0 or <u>(\$66,000,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	\$0 or <u>(\$33,000,000)</u>	\$0 or <u>(\$66,000,000)</u>	\$0 or <u>(\$66,000,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> - various local political subdivisions for tickets for using a cellular phone while driving	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Revenue</u> - Cities Reinstatement Fees (15%)	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Revenue</u> - Counties Reinstatement Fees (10%)	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT TO THE LOCAL POLITICAL SUBDIVISIONS	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The proposal prohibits any person operating a motor vehicle upon the highways of this state to use any hand-held electronic wireless communications device. Prohibited use includes reading, composing, viewing, or posting any electronic message; initiating, receiving, or conducting a conversation; or manually typing data into any electronic wireless communication device.

The proposal does not apply to:

- (1) An authorized emergency vehicle under Section 304.022, RSMo;
- (2) A motor vehicle that is responding to another motor vehicle's request for roadside assistance upon the highways of this state when such response is conducted in the course and scope of a commercial activity; or
- (3) A motor vehicle while using a hand-held electronic wireless communications device to contact emergency services or relay information between a transit or for-hire motor vehicle operator and that operator's dispatcher when the device is affixed to the motor vehicle.

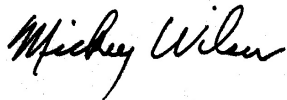
FISCAL DESCRIPTION (continued)

Fees and penalties associated with violations are specified in the proposal.

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
Department of Public Safety - Missouri Highway Patrol
Department of Transportation
Department of Insurance, Financial Institutions and Professional Registration
Office of the State Courts Administrator
Office of Prosecution Services



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January 27, 2017

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January 27, 2017