

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4923-04
Bill No.: HCS for HB 1155
Subject: Motor Vehicles; County Officials
Type: Original
Date: January 27, 2012

Bill Summary: This proposal modifies provisions relating to the regulation of motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	Up to (\$17,040)		
Total Estimated Net Effect on General Revenue Fund	Up to (\$17,040)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Road Fund	\$0 or \$19,600,000	\$0 or \$19,600,000	\$0 or \$19,600,000
Highway Safety Fund	\$0 or (\$19,600,000)	\$0 or (\$19,600,000)	\$0 or (\$19,600,000)
Total Estimated Net Effect on Other 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 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **Joint Committee on Administrative Rules** state this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of Prosecution Services** did not respond to our request for fiscal impact.

Officials from the **Office of the Secretary of State (SOS)** assumes 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 Secretary of State's Office 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, we 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 our office can sustain with our core budget. Therefore, we 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.

Section 302.309 & 577.023

Officials from the **Department of Transportation (DHT)** state Title 23 United States Code (USC) Section 164 outlines provisions that must be included in a state's repeat intoxicated driver law and requires a transfer of 3% of the state's federal-aid highway funds if the state has not enacted or is not enforcing a repeat intoxicate driver law that meets Section 164's requirements. A statute change from the 2010 legislative session (SS SCS HCS HB 1695, 1742, & 1674) put the state out of compliance with 23 USC 164 (mandatory jail time/community service and limited driving privileges for repeat offenders).

ASSUMPTION (continued)

DHT requested a legal review by the National Highway Traffic Safety Administration to ensure SB 443 puts state statute back into compliance with 23 USC 164. Officials from the National Highway Traffic Safety Administration have reviewed this version of the bill and have notified DHT that passage of SB 443 would fulfill federal requirements. Therefore, passage of SB 443 would reverse the penalty transfer of approximately \$19.6 million. This would give DHT more flexibility in expending these funds.

Oversight will range the fiscal impact of the proposal from \$0 (legislation would not impact Missouri's compliance with federal code) to the \$19.6 million penalty avoidance stated by DHT.

Section 302.309.3

Officials from the **Department of Revenue (DOR)** state this proposal would require the Department and Courts to eliminate the available "medical treatment" purpose for a limited driving privilege (LPD) and would also remove the "undue hardship" provisions for granting limited driving privileges that would currently allow an applicant to drive a vehicle to additional locations or for additional purposes. This additional scope of driving on a limited privilege, upon application and a specific showing of "undue hardship," is currently at the discretion of the Department or the Court. This exceeds what the federal requirements would permit for compliance.

It would also require the Department to enforce a 45-day "hard walk" period for Section 302.304 point revocations for drivers triggered by second or subsequent Driving While Intoxicated (DWI), Blood Alcohol Content (BAC) or Driving Under Influence of Drugs (DUID) convictions. This will require programming and testing of the Missouri Driver License system as well as updates to procedures and training of staff.

DOR states the administrative impact for Section 302.309 include, system modifications regarding the changes to Limited Driving Privileges, draft updates to web site information on Limited Driving Privileges, updating office procedures and additional training of personnel.

DOR's Drivers License Bureau (DLB) estimates 160 hours of system testing for one Management Analysis Specialist II (at \$23 per hour or \$3,680) and the same for one Administrative Analyst I (at \$16 per hour or \$2,560). DOR also assumes the need for 160 hours of work for a Revenue Band Manager (\$30 per hour or \$4,800), 40 hours of work for two Management Analysis Specialist I for forms and Internal Procedure development (each at \$20 per hour or \$1,600) and 10 hours for an Administrative Analyst III for web page updates (at \$22 per hour or \$220).

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ASSUMPTION (continued)

The Information Technology Services Division (OA-ITSD DOR) state there will be IT programming (DL) cost for 40 hours of work at \$26.50 per hour equaling \$1,060.

In summary, DOR assumes a cost of \$13,920 in FY 2013 to provide for the implementation of the changes in this part of the proposal.

Section 302.700 & 302.768

Officials from the **Department of Transportation** state the enactment of these changes to Missouri's CDL statutes will be necessary to bring this State into compliance with the Federal mandate prescribed by 49 USC Section 31311 (a) (1) and (21), section 31309 (e) (4) and Section 31305 (a) (7); and 49 CFR 383.73 and Section 384.301.

If not enacted, Missouri's federal-aid highway funds are subject to withholding in the amounts of \$30 million the first fiscal year and \$60 million the second year and thereafter.

Oversight assumes Missouri will be in compliance with the mandated provisions and will assign no cost for sanctions.

Officials from the **Department of Revenue** state this section proposes new definitions and modifications to current definitions related to commercial driver license requirements to comply with Federal Motor Carrier Safety regulations and support the implementation of the federal rule labeled "Medical Certification Requirements as part of the Commercial Driver License (CDL)".

DOR states cost associated with development and implementation of the proposed medical certification program (Section 302.700) will be absorbed as part of a system upgrade project and through federal funds.

Section 302.341

Officials from the **Department of Revenue - Driver License Bureau (DLB)** assume this section proposes changes to meet federal commercial driver license requirements related to failure to appear in court actions. The proposed change indicates these actions cannot be removed from the record upon reinstatement if the applicant was operating a commercial motor vehicle at the time of the offense or is a commercial driver license holder.

ASSUMPTION (continued)

DOR states administrative impact for Section 302.341 include modifying the Missouri Driver License system and supporting applications related to failure to appear actions and complete end user testing of all changes.

DLB estimates 80 hours of modifying the applications for one Administrative Analyst (at \$16 per hour or \$1,280) and 80 hours of end user testing of changes (at \$23 per hour or \$1,840). In summary, DOR assumes a cost of \$3,120 (\$1,280 + \$1,840) in FY 2013 to provide for implementation of the changes in this part of the proposal.

Section 302.768

Officials from the **Department of Revenue** state this proposes a new section to support the implementation of Federal Motor Carrier Safety Regulation changes defined in a finalized federal rule affecting 49 CFR Parts 383, 384, 390 and 391 labeled “Medical Certification Requirements as part of the CDL”. This section requires commercial driver license applications to complete certain self certifications and submit required medical certification documents when applicable. The state must capture and store data related to drivers who are required to submit proof of medical certification. These certifications must be updated at least every two years based on federal requirements. The state must store and pass this data to law enforcement, commercial motor vehicle enforcement and other states.

DOR assumes the cost associated with development and implementation of the proposed medical certification program will be absorbed as part of a pending system upgrade project. The Department will continue to seek federal funds to notify Commercial Drivers of the new requirements; however, if federal funding is not provided, DOR will require the following state funds in order to notify the 300,000 drivers:

FY 14

Printing Cost (per 1,000)	300 @ .076 =	\$22.80
Letters	300,000 @ .025 =	\$7,500.00
Envelopes	300,000 @ .04 =	\$12,000.00
Postage	300,000 @ .45 =	<u>\$135,000.00</u>
	Total =	\$154,522.80

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ASSUMPTION (continued)

DOR stated they have been approved for a federal grant to implement the new federal requirements; however, DOR stated they cannot use the grant monies for notification. Therefore, **Oversight** assumes that DOR is not required by this proposal to notify a licensee of this new federal licensing requirement and therefore will not reflect the cost. The notification upon license renewal could be an option.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the personal service cost related to this proposal. Oversight assumes some of DOR's anticipated work hours could be performed during the normal work day and not create an additional expense to their budget; therefore, Oversight will range the cost to DOR as 'up to \$17,040' (\$13,920 + \$3,120).

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Costs - Department of Revenue</u>			
Administrative changes to prepare for updates in the proposal	<u>Up to (\$17,040)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>Up to (\$17,040)</u>	<u>\$0</u>	<u>\$0</u>
ROAD FUND			
<u>Savings - more Federal funding could be utilized by this fund if Missouri becomes compliant</u>	\$0 or <u>\$19,600,000</u>	\$0 or <u>\$19,600,000</u>	\$0 or <u>\$19,600,000</u>
ESTIMATED NET EFFECT TO THE ROAD FUND	<u>\$0 or \$19,600,000</u>	<u>\$0 or \$19,600,000</u>	<u>\$0 or \$19,600,000</u>

FISCAL IMPACT - State Government
 (continued)

HIGHWAY SAFETY FUND

Loss - more Federal funding could be utilized by the Road Fund if Missouri becomes compliant	\$0 or <u>(\$19,600,000)</u>	\$0 or <u>(\$19,600,000)</u>	\$0 or <u>(\$19,600,000)</u>
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ESTIMATED NET EFFECT TO THE HIGHWAY SAFETY FUND	\$0 or <u>(\$19,600,000)</u>	\$0 or <u>(\$19,600,000)</u>	\$0 or <u>(\$19,600,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Commercial drivers could be impacted by this proposed legislation.

FISCAL DESCRIPTION

This substitute changes the laws regarding limited driving privileges and commercial driver's licenses. In its main provisions, the substitute:

- (1) Removes the provisions allowing the issuance of limited driving privileges to a repeat driving while intoxicated offender for the purpose of seeking medical treatment or for any other circumstance that the court or department director finds would create an undue hardship if not allowed but specifies that it can be used for driving to or from the person's place of employment, attending school, attending an alcohol or drug treatment program, or seeking the services of a certified ignition interlock device provider. The substitute specifies that certain repeat offenders will not be eligible for limited driving privileges until they have completed the first 30 days of a suspension or 45 days of a revocation;

FISCAL DESCRIPTION (continued)

(2) Requires the Director of the Department of Revenue to return the license and remove the suspension from an individual's driving record if he or she was not operating a commercial motor vehicle or was not a commercial driver's license holder at the time of the offense and he or she provides proof of the disposition of the charges, payment of the fine and any court costs, and payment of the reinstatement fee;

(3) Specifies that a person will be disqualified for a commercial driver's license for any withdrawal of his or her privilege to drive a commercial vehicle by the countries of Canada or Mexico as the result of certain specified motor vehicle violations;

(4) Requires an applicant for a commercial driver's license or commercial driver's instruction permit to comply with the requirements of the Federal Motor Carrier Safety Administration by certifying that he or she is:

(a) A driver operating or expecting to operate in interstate or foreign commerce or is otherwise subject to and meets federal rules and is required to obtain a medical examiner's certificate;

(b) A driver operating or expecting to operate entirely in interstate commerce that is exempt from federal law and not required to obtain a medical examiner's certificate;

(c) A driver operating only in intrastate commerce and is subject to Missouri driver qualifications; or

(d) A driver operating or expecting to operate only in intrastate commerce and engaging only in operations exempt from all Missouri driver qualification requirements; and

(5) Specifies that an applicant certifying to operation in nonexempt commerce must provide the state with a current medical examiner's certificate or a certificate accompanied by a medical variance or waiver. The bill specifies the certification process. A person who falsifies any information in an application for or an update of medical certification status information cannot be licensed to operate a commercial vehicle or his or her commercial driver's license must be canceled for a period of one year after the department director discovers the falsification.

The provisions of the substitute will become effective on the date the Director of the Department of Revenue begins accepting medical certifications or on May 1, 2013, whichever occurs first.

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

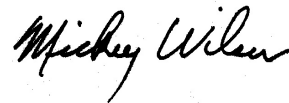
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SOURCES OF INFORMATION

Department of Revenue
Office of the State Courts Administrator
Department of Public Safety
Department of Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Corrections
Office of the State Public Defender

NOT RESPONDING

Office of Prosecution Services



Mickey Wilson, CPA
Director
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