

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2191-01  
Bill No.: HB 1045  
Subject: Administrative Law; Cities, Towns and Villages; Courts  
Type: Original  
Date: April 30, 2019

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Bill Summary: This proposal modifies provisions relating to the administrative adjudication of certain municipal ordinance violations.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$13,284) to (\$66,632)	\$0 to (\$80,631)	\$0 to (\$81,312)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$13,284) to (\$66,632)</b>	<b>\$0 to (\$80,631)</b>	<b>\$0 to (\$81,312)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Various State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
State Court Automation Fund	\$0 to (\$436,154)	\$0 to (\$436,154)	\$0 to (\$436,154)
Crime Victims' Compensation Fund	\$0 to (\$3,924,201)	\$0 to (\$3,924,201)	\$0 to (\$3,924,201)
POST Fund	\$0 to (\$540,685)	\$0 to (\$540,685)	\$0 to (\$540,685)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (Unknown, Could Exceed \$4,901,040)</b>	<b>\$0 to (Unknown, Could Exceed \$4,901,040)</b>	<b>\$0 to (Unknown, Could Exceed \$4,901,040)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 10 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 or 1 FTE</b>	<b>0 or 1 FTE</b>	<b>0 or 1 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0 to (Unknown, Could Exceed \$7,334,755)</b>	<b>\$0 to (Unknown, Could Exceed \$7,334,755)</b>	<b>\$0 to (Unknown, Could Exceed \$7,334,755)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §479.011 - Administrative adjudication of certain municipal ordinance violations

Officials at the **Department of Revenue (DOR)** assume the proposed legislation allows cities and villages to establish an administrative adjudication system allowing them to adjudicate nonmoving traffic violations, minor traffic violations and municipal ordinance violations defined in §479.350. Points shall be assessed to driver records for the moving traffic violations as if received by a municipal court. The DOR shall assess two additional points if the municipal court issued a certification of nonappearance and finds the respondent has presented no just cause for nonappearance.

#### Administrative Impact

To implement the proposed legislation, the DOR will be required to:

1. Work with Office of State Court Administrators Office (OSCA) and other court case management vendors to change the FTP file layout for convictions submitted to the DOR electronically. Additional testing with all courts utilizing a case management vendor will be required;
2. Update the Missouri Driver License System (MODL) to allow two additional points to be assessed to a driver's record for nonappearance;
3. Update all Uniform Traffic Citations and Record of Conviction forms to add a field for the assessment of additional points for nonappearance; and
4. Update procedures, forms, and all other printed documentation.

#### FY 2020 - Driver License Bureau

Management Analysis Spec II	480 hrs. @ \$20.57 per hr.	= \$ 9,874
Administrative Analyst I	480 hrs. @ \$14.70 per hr.	= \$ 7,056
Revenue Manager	40 hrs. @ \$20.59 per hr.	= \$ 824
Total		= \$17,754

#### FY 2020 - Personnel Services Bureau

Administrative Analyst III	80 hrs. @ \$19.80 per hr.	= \$ 1,584
Management Analysis Spec I	80 hrs. @ \$18.42 per hr.	= \$ 1,474
Total		= \$ 3,058

Total Costs = \$20,812

ASSUMPTION (continued)

The proposed legislation will result in an unknown increase in the number of traffic convictions received and processed by the DOR. These convictions will be processed manually as the cities and villages do not have an established case management system to send through electronic processes or through the Office of State Court Administrator's (OSCA) electronic process with the DOR. A Revenue Processing Tech I (RPT I) can process 340 convictions per day. If the increase is more significant than anticipated additional FTE will be requested through the appropriations process.

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note and will assume DOR can absorb these costs with existing resources.

There would also be a OA-ITSD cost estimate of \$13,284. This would be 177.12 hours of works at \$75 per hour. In summary, DOR assumes a cost of \$34,096 (\$20,812 + \$13,284) in FY 2020 for this proposal.

**Oversight** notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed. ITSD estimates the project would take 177.12 hours at a contract rate of \$75 per hour for a total cost to the state of \$13,284. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the ITSD estimated cost of contracting out the work (\$13,284) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

**Oversight** sent a request for response to the Office of Prosecution Services and will update the fiscal note if necessary when a response is received

**Oversight** notes that subsection 479.011.1(4) states that no costs shall be taxed in the event of a dismissal of the court case by the municipal court once the administrative tribunal accepts the case. Oversight assumes that this could reduce court fees that are charged. Oversight notes that collection of court costs goes to various state funds. Below is a list of some of those funds.

ASSUMPTION (continued)

<b>Fee/Fund Name</b>	<b>Fee Amount</b>
Basic Civil Legal Services Fund	\$8.00
Clerk Fee	\$15.00 (\$12 State/\$3 County)
County Fee	\$25.00
State Court Automation Fund	\$7.00
Crime Victims' Compensation Fund	\$7.50
DNA Profiling Analysis Fund	\$15.00
Peace Officer Standards and Training (POST) Fund	\$1.00
Sheriff's Retirement Fund	\$3.00
Motorcycle Safety Trust Fund	\$1.00
Brain Injury Fund	\$2.00
Independent Living Center Fund	\$1.00
Sheriff's Fee	\$10.00 (County)
Prosecuting Attorney and Circuit Attorney Training Fund	\$4.00
Prosecuting Attorney Training Fund	\$1.00 (\$0.50 State/\$0.50 County)
Spinal Cord Injury Fund	\$2.00

ASSUMPTION (continued)

If this section of the proposal is implemented, court fee collections could decrease (if waived) because administrative tribunals don't collect those fees. The table below shows the total collections by the various funds for FY 2018. The municipal collections column is how much was collected by the municipal courts for the funds shown. Oversight did not have all of the information regarding collections by the municipal courts for all of the funds below and has reflected an unknown amount for those funds. Oversight will reflect a potential loss of court fees received from the table below for the specific state funds that were collected by the municipal courts as well as an unknown loss to the other various funds. Oversight will also reflect a potential loss in court fees to municipalities of \$0 or unknown that could exceed the collection amounts received from clerk fees (\$6,522,123) and the sheriff's retirement fund (\$812,632) for this proposal (\$6,522,123 + \$812,632 = \$7,334,755).

<u>Fund #</u>	<u>Fund Name</u>	<u>Fee Rate</u>	<u>Fund Total Collections</u>	<u>Municipal Collections*</u>
0757	Basic Civil Legal Services Fund	\$ 8	\$2,871,727	Unknown
n/a	Clerk Fee	\$ 15	n/a	\$6,522,123
n/a	County Fee	\$ 25	n/a	Unknown
0270	State Court Automation Fund	\$ 7	\$4,385,294	\$436,154
0681	Crime Victims' Compensation Fund	\$ 8	\$4,685,907	\$3,924,201
0772	DNA Profiling Analysis Fund	\$ 15	\$1,170,953	Unknown
0867	(POST)Police Officer Standards and Training Fund	\$ 1	\$634,568	\$540,685
n/a	Sheriff's Retirement Fund	\$ 3	Unknown	\$812,632
0246	Motorcycle Safety Trust Fund	\$ 1	\$274,770	Unknown
0742	Brain Injury Fund	\$ 2	\$549,883	Unknown
0284	Independent Living Center Fund	\$ 1	\$274,486	Unknown
0913	Sheriff's Fee	\$ 10	\$2,565,533	Unknown
n/a	Prosecuting Attorney and Circuit Attorney Training Fund	\$ 4	Unknown	Unknown
0680	Prosecuting Attorney Training Fund	\$ 1	\$111,361	Unknown
0578	Spinal Cord Injury Fund	\$ 2	\$550,534	Unknown

\*FY 2018 Office of State Court Administrators Annual Report  
 (Table 94)

Officials at the **Office of the State Courts Administrator** and the **State Tax Commission** each assume no fiscal impact to their respective agencies from this proposal.

**Oversight** notes that the Office of the State Courts Administrator and the State Tax Commission each has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials at the **City of Kansas City** assume no fiscal impact from this proposal.

ASSUMPTION (continued)

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE</b>			
<u>Cost</u> - DOR/OA-ITSD - establishing administrative adjudication system for cities - §479.011 (ranged from contracting out programming (\$13,284) to hiring additional FTE IT Specialist) p. 4	(\$13,284) to <u>(\$66,632)</u>	<u>\$0 to (\$80,631)</u>	<u>\$0 to (\$81,312)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE</b>	<b>(\$13,284) to <u>(\$66,632)</u></b>	<b><u>\$0 to (\$80,631)</u></b>	<b><u>\$0 to (\$81,312)</u></b>
Estimated Net FTE Change for General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
<b>STATE COURT AUTOMATION FUND</b>			
<u>Loss</u> - in funding from potential decrease in surcharge fees collected if there are cases transferred to an administrative tribunal	<u>\$0 to (\$436,154)</u>	<u>\$0 to (\$436,154)</u>	<u>\$0 to (\$436,154)</u>
<b>ESTIMATED NET EFFECT ON THE STATE COURT AUTOMATION FUND</b>	<b><u>\$0 to (\$436,154)</u></b>	<b><u>\$0 to (\$436,154)</u></b>	<b><u>\$0 to (\$436,154)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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**CRIME VICTIMS'  
 COMPENSATION FUND**

Loss - in funding from potential decrease  
 in surcharge fees collected if there are  
 cases transferred to an administrative  
 tribunal

\$0 to <u>(\$3,924,201)</u>	\$0 to <u>(\$3,924,201)</u>	\$0 to <u>(\$3,924,201)</u>
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**ESTIMATED NET EFFECT ON THE  
 CRIME VICTIMS'  
 COMPENSATION FUND**

\$0 to <u>(\$3,924,201)</u>	\$0 to <u>(\$3,924,201)</u>	\$0 to <u>(\$3,924,201)</u>
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**POST FUNDS**

Loss - in funding from potential decrease  
 in surcharge fees collected if there are  
 cases transferred to an administrative  
 tribunal

<u>\$0 to (\$540,685)</u>	<u>\$0 to (\$540,685)</u>	<u>\$0 to (\$540,685)</u>
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**ESTIMATED NET EFFECT ON THE  
 POST FUNDS**

\$0 to <u>(\$540,685)</u>	\$0 to <u>(\$540,685)</u>	\$0 to <u>(\$540,685)</u>
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**VARIOUS STATE FUNDS**

Loss - in funding from potential decrease  
 in surcharge fees collected if there are  
 cases transferred to an administrative  
 tribunal

\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON  
 VARIOUS STATE FUNDS**

\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>MUNICIPAL FUNDS</b>			
<u>Loss</u> - in funding from potential decrease in surcharge fees collected if there are cases transferred to an administrative tribunal	\$0 or (Unknown, Could Exceed <u>\$7,334,755</u> )	\$0 or (Unknown, Could Exceed <u>\$7,334,755</u> )	\$0 or (Unknown, Could Exceed <u>\$7,334,755</u> )
<b>ESTIMATED NET EFFECT ON MUNICIPAL FUNDS</b>	<b>\$0 or (Unknown, Could Exceed <u>\$7,334,755</u>)</b>	<b>\$0 or (Unknown, Could Exceed <u>\$7,334,755</u>)</b>	<b>\$0 or (Unknown, Could Exceed <u>\$7,334,755</u>)</b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill modifies provisions relating to the administrative adjudication of certain municipal ordinance violations.

Currently, only the cities of St. Louis, Kansas City, St. Joseph, and Springfield are authorized to establish, by order or ordinance, an administrative system for adjudicating housing, property maintenance, nuisance, parking, and other civil, nonmoving municipal code violations. This bill allows any city or village to establish, by ordinance, an administrative adjudication system for certain municipal code violations.

The administrative tribunal shall operate under the supervision of the municipal court. Currently, the administrative tribunal may operate under the supervision of the municipal court, parking commission, or other entity designated by order or ordinance. This bill provides that administrative law judges may be municipal court judges or other persons qualified to be a municipal court judge.

Points for driving violations shall be assessed by the Department of Revenue in the same manner as municipal court proceedings.

Currently, any final determination of a code violation by an administrative tribunal may be reviewed under the Administrative Procedure and Review Act or by a trial de novo in circuit court, at the request of the defendant within 10 days. This bill repeals the availability of review by a trial de novo in circuit court and only provides for judicial review under the Administrative Procedure and Review Act.

FISCAL DESCRIPTION (continued)

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  
State Tax Commission  
City of Kansas City



Kyle Rieman  
Director  
April 30, 2019

Ross Strobe  
Assistant Director  
April 30, 2019