

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1610-11
Bill No.: HCS for HBs 591, 210, 377, 760, & 777
Subject: Elementary and Secondary Education; Driver's Licenses; Motor Carriers;
Department of Revenue
Type: Original
Date: April 11, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Department of Social Services, Department of Public Safety – Missouri State Highway Patrol, – Office of the Adjutant General, – Missouri Veterans Commission, Department of Insurance, and the Missouri House of Representatives** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** assume the proposal would give the Department of Revenue and the State Board of Education the authority to adopt rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 20 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal is \$1,230 in FY 06 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

§§43.530, 136.055, 168.133, 302.177, 302.272, 302.735, Section 1, Section 2 – School Bus Drivers

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there are currently 21,971 CDL licensed drivers with a school bus permit. Approximately 40% of school buses are operated by contractors; therefore, DESE estimates 13,193 district-operated drivers and 8,799 contracted drivers would be required to switch to DESE's fingerprint/background check service instead of DOR's. DESE would require 2.0 FTE Administrative Assistants (each at \$26,232 per year) to process the additional workload. DESE estimates the cost of the proposal to be approximately \$73,000 in FY 06; \$83,000 in FY 07; and \$85,000 in FY 08.

In addition, DESE assumes the provisions in Section 1 of the proposal would require each school district to maintain on file a statement from a medical examiner which indicates the driver is physically qualified to operate a school bus for the purpose of transporting pupils. Such statement shall be made annually and shall apply to drivers employed by the school district or under contract with the school district.

DESE further assumes Section 2 of the proposal requires each school district to provide training in at least 8 hours of duration to each school bus driver employed by the district or under contract with the district.

ASSUMPTION (continued)

DESE assumes the provisions in Sections 1 and 2 would result in Unknown costs to local school districts.

Oversight assumes the Department of Elementary and Secondary Education (DESE) would require no FTE based upon Truly Agreed To and Finally Passed CCS for SS for SCS for HS for HCS for HB 1463 from the 2004 Session (LR # 2427-15), where DESE requested no FTE to process an estimated 118,718 background checks of pupil-contact individuals. If DESE experiences an increase that would justify additional FTE, they could request funding through the appropriation process.

Officials from the **Department of Revenue (DOR)** assume the proposal would repeal the DOR requirement to issue school bus permits, transfer the background check process from DOR to the school districts, and provide flexibility in determining driver license fees/expiration date.

DOR will incur Programming costs as follows:

DOR assumes this legislation will require changes and testing for the Over the Counter (OTC) driver license issuance system. Additionally, changes and testing will be required for the systems that support the OTC system. Those supporting systems are the Missouri Driver License (MODL) system, the Central Driver License Information System (CDIS), and the Missouri Transportation Accounting System (MTAS).

DOR assumes this legislation will also require minor changes for the Correspondence Tracking and Generation (CTG) system. Changes to the CTG system would be handled with current resources.

Costs for programming and testing will be incurred through the DOR's existing resources.

DOR will have changes in forms:

This legislation will require changes to the Missouri Driver Guide, the Uniform License Issuance Manual (ULIM), form DOR-4445, and the Department of Revenue web site. Changes to the Missouri Driver Guide would be incorporated at the next reorder point; therefore no cost would be incurred. DOR-4445 would require existing stock to be destroyed and new forms printed, at a cost of \$225. Cost for changes to the ULIM and web site would be minimal, and therefore would be handled with current resources.

ASSUMPTION (continued)

DOR would also incur training costs:

No significant training would be required, and therefore would be handled with current resources.

§144.025 – Motor Vehicle Licensing

Officials from the **Department of Transportation (MoDOT)** assume the removal of the notarized bill of sale requirement may allow more individuals to take advantage of the sales tax reductions. There would be a decrease in revenue from the reduction of sales tax. MoDOT is unable to provide an estimate for this section. MoDOT will defer to the Department of Revenue to estimate any impact.

Officials from the **Department of Revenue (DOR)** assume this section would eliminate the notary requirement on trade-in credit bills-of-sale. This proposal streamlines the process for the citizen and the department. Implementation can be administered with existing resources.

§227.361 – Veterans Memorial Parkway

Officials from the **Department of Transportation (MoDOT)** assume this provision designates a portion of Highway 58 in Johnson County as the “Veterans Memorial Parkway.” It indicates the costs for this designation shall be paid by private donations. Therefore, there will be no fiscal impact to MoDOT.

Officials from the **Department of Revenue (DOR)** assume this section would dedicate a portion of a highway to certain individuals. This section has no impact on the DOR.

§227.371 – Students of Missouri Assisting Rural Transportation (“S.M.A.R.T.”) Memorial Highway

Officials from the **Department of Transportation (MoDOT)** assume this provision designates a portion of Highway 61 in Lewis County as the “Students of Missouri Assisting Rural Transportation Memorial Highway.” It indicates the costs for this designation shall be paid by private donations. Therefore, there will be no fiscal impact to MoDOT.

Officials from the **Department of Revenue (DOR)** assume this section would dedicate a portion of a highway to certain individuals. This section has no impact on the DOR.

ASSUMPTION (continued)

§§301.020, 301.190 – Salvage Vehicles

Officials from the **Department of Revenue (DOR)** assume these sections provide that if an insurance company pays a claim on a salvage vehicle and the insured is retaining ownership of the vehicle, as prior salvage, and the vehicle has sustained only cosmetic damage, and reconstruction or rebuilding is not being made, the vehicle will not be subject to the 551 examination conducted by the Highway Patrol in order to obtain a title. This would require procedural changes and can be implemented with existing resources.

§301.129, 301.130, & 301.290 – Motor Vehicle License Plate Re-Issuance

Officials from the **Department of Transportation (MoDOT)** assume the additional fees to cover the cost of the newly reissued plates in Section 301.130 would go to the Department of Revenue and the Department of Revenue would bear the cost to produce the new plates.

Officials from the **Department of Corrections (DOC)** assume the changes to Sections 301.129 and 301.290 would allow MO Vocational Enterprises to continue in business as usual for two more years.

Officials from the **Department of Revenue (DOR)** assume these sections delay the motor vehicle license plate re-issuance. The advisory group would provide recommendations by January 1, 2008, re-issuance would begin January 1, 2010, and tab changes would be effective January 1, 2011. This will shift the cost of plate re-issuance indicated in the fiscal note for CCR HS SS SCS SB 1233 from the 2004 Session (2561-18T) to fiscal years 2008, 2009, 2010 and 2011. The cost of re-issuance shown in that fiscal note will be increased/decreased based on the increased/decreased cost per plate at the time of re-issuance.

§301.215 – Debtor Notification

Officials from the **Department of Revenue (DOR)** assume the changes would no longer require DOR to notify debtors or any outstanding lienholders of a pending repossessed title application. This would require procedural changes and can be implemented with existing resources.

ASSUMPTION (continued)

§302.080 – Driver Licenses for Active Duty Military Personnel

Officials from the **Department of Revenue (DOR)** assume this provision allows an exemption from the driver license requirement for active military personnel or their spouses when their license expires and they are outside of the United States when their license expires for a maximum of 90 days or the date of their return, whichever occurs first. This would prevent drivers from being ticketed when they return to the US. This would require procedural changes and can be implemented with existing resources.

§622.560 – Motor Carriers

Officials from the **Department of Revenue (DOR)** assume the proposal allows the Highways and Transportation Commission to suspend, revoke, or cancel the registration, license, permit, or other credentials issued to a motor carrier if a federal agency or the commission has issued an out-of-service order against the motor carrier. This proposal will require procedural changes, various computer systems modifications, notification to the motor carrier and the commission of actions taken, and maintain a system for notifications. The DOR will use existing resources to implement these changes.

Officials from the Columbia Public Schools, Kansas City Public School Board, Mexico Public Schools, Nixa Public Schools, and St. Louis Public Schools did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
POLITICAL SUBDIVISIONS			
<u>Costs – Local School Districts</u>			
Administrative Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

§§43.530, 168.133, 302.272, Section 1, Section 2 – School Bus Drivers

The Department of Revenue would not be responsible for obtaining criminal background checks. The school district would ensure a background check is conducted for school bus drivers. School bus drivers would be included in the category of individuals who must have a criminal background check. The proposal would clarify that drivers employed by a school district or a pupil transportation company under contract must have a criminal background check. School bus drivers who are at least seventy years of age would be required to pass an operation examination annually. School districts would have on file annually a statement from a medical examiner which indicates the driver is physically qualified to operate a school bus. School districts would be required to provide at least 8 hours of training to each school bus driver employed by the district or under contract with the district.

§136.055 – Motor Vehicle License Fees

The proposed legislation would clarify that the fee charged by a fee agent for each chauffeur's, operator's, or driver's license issued or renewed for a period exceeding three years will be \$5.00.

§144.025 – Motor Vehicle Licensing

A bill of sale showing a paid sale price of a motor vehicle, trailer, boat, or outboard motor would no longer have to be notarized to present to the Department of Revenue at the time of licensing.

DESCRIPTION (continued)

§227.361 – Veterans Memorial Parkway

A portion of Highway 58 in Johnson County would be designated as the “Veterans Memorial Parkway.” All appropriate signage would be paid for, erected, and maintained by the City of Holden Veterans of Foreign Wars.

§227.371 – Students of Missouri Assisting Rural Transportation (“S.M.A.R.T.”) Memorial Highway

A portion of U.S. Highway 61 in Lewis County would be designated as the “Students of Missouri Assisting Rural Transportation (S.M.A.R.T.) Memorial Highway.” Costs for such designation would be paid by S.M.A.R.T. members.

§§301.020, 301.190 – Salvage Vehicles

If an insurance company pays a claim on a salvage vehicle and the insured is retaining ownership of the vehicle, as prior salvage, and the vehicle has sustained only cosmetic damage, and reconstruction or rebuilding is not being made, the vehicle would not be subject to the examination conducted by the Highway Patrol in order for a title to be obtained.

§§301.129, 301.130, & 301.290 – Motor Vehicle License Plate Re-Issuance

These sections would delay the motor vehicle license plate re-issuance. The advisory group would provide recommendations by January 1, 2008, re-issuance would begin January 1, 2010, and tab changes would be effective January 1, 2011. The tab would correlate with the license plates issued by the Department of Revenue for the vehicle.

§301.215 – Debtor Notification

Department of Revenue would no longer be required to notify debtors or any outstanding lienholders of a pending repossessed title application.

§302.080 – Driver Licenses for Active Duty Military Personnel

Military personnel on active duty and their spouses would be exempt from having to renew their driver’s licenses while they are stationed outside the United States for a maximum of 90 days or the date of their return, whichever occurs first.

DESCRIPTION (continued)

§302.177, 302.735 – Driver License Fees

Would make revisions to driver license fees and expiration dates.

§622.560 – Motor Carriers

The Missouri Highways and Transportation Commission could suspend, revoke, or cancel the registration, license, permit, or other credentials issued to a motor carrier if a federal agency or the commission has issued an out-of-service order against the motor carrier.

The proposal contains an emergency clause for certain sections and these sections would be in effect upon passage and approval.

The changes to section 302.735 are a result of the passage of the Federal Motor Carrier Safety Improvement Act of 1999 and regulations promulgated by the Transportation Security Administration (TSA) within the U.S. Department of Homeland Security (Docket number TSA-2003-14610; Amendment number 1572-4).

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

SOURCES OF INFORMATION

Office of Administration
Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Transportation
Department of Corrections
Department of Revenue
Department of Social Services
Department of Public Safety
 – Missouri State Highway Patrol
 – Office of the Adjutant General
 – Missouri Veterans Commission
Department of Insurance
Missouri House of Representatives
Office of the Secretary of State

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NOT RESPONDING

Columbia Public Schools, Kansas City Public School Board, Mexico Public Schools, Nixa Public Schools, St. Louis Public Schools

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 11, 2005