

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4969-01
Bill No.: HB 1704 w/ HCA 1
Subject: Licenses - Driver's; Revenue Department; Motor Vehicles
Type: Original
Date: April 13, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** state this proposal requires modifications to lawful presence document acceptance procedures for DOR contract license offices, central mini branch office and internal processing staff. This change will also require modifications to the Over The Counter license issuance systems in the central and contract offices to exempt applicants age sixty-five and over with a previous Missouri noncommercial driver license, permit or nondriver license, from lawful presence verification at the time of issuance. DOR assumes the costs from these programming changes will be absorbed internally.

Officials from the **Department of Health and Senior Services (DOHSS)** assume state revenue will be lost as a result of this proposal because motorists that are 65 years or older would no longer need to purchase birth certificates to prove lawful presence.

For each birth certificate/marriage statement issued, the \$15.00 fee is distributed as follows: Children's Trust Fund - \$5.00; General Revenue - \$4.00; the Endowed Cemetery Care Audit Fund - \$1.00 and the Missouri Public Health Services Fund (MOPHS) - \$5.00.

Based on data from January 2005 to current, there was an average of 610 birth certificates issued per month for birth years 1910 - 1940 (persons 65 years of age or older) by DHSS. Under this

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ASSUMPTION (continued)

proposal, DHSS assumes that due to deaths and no need for a driver's license, only 35% of people born in those years would still need to prove "lawful presence" under current statute. This equates to approximately 214 birth certificates per month which would not be issued under the proposed legislation, or revenue of approximately \$3,210 per month (214 certificates/month x \$15), for a annual loss beginning in FY 07 and thereafter, of \$38,520.

Birth Certificates	Calculation	FY 2007	FY 2008	FY 2009
General Revenue	214 x \$4.00	(\$10,272)	(\$10,272)	(\$10,272)
Children's Trust	214 x \$5.00	(\$12,840)	(\$12,840)	(\$12,840)
Endowed Cemetery	214 x \$1.00	(\$2,568)	(\$2,568)	(\$2,568)
MOPHS	214 x \$5.00	(\$12,840)	(\$12,840)	(\$12,840)
TOTAL		(\$38,520)	(\$38,520)	(\$38,520)

Under current legislation, women need to show how their name had changed over time, thus, the need for certified statements of marriage. Persons born prior to 1941 typically would be married between the ages of 18 and 28; however, marriage data is only available beginning in 1948. Based on data from January 2005 to current, there was an average of 178 certified statements of marriage issued monthly for each the years from 1948 to 1969. DHSS assumes is that approximately 10% of the 178 monthly statements being issued are to married women trying to show how their name changed over time for the purpose of proving lawful presence. Loss of the revenue from these certified statements of marriage would be an additional monthly loss of \$270.00 (18 certificates/month x \$15 per certificate), for an annual loss beginning in FY 07, due to an emergency clause, and thereafter, of \$3,240.

Marriage Certificates	Calculation	FY 2007	FY 2008	FY 2009
General Revenue	18 x \$4.00	(\$864)	(\$864)	(\$864)
Children's Trust	18 x \$5.00	(\$1,080)	(\$1,080)	(\$1,080)
Endowed Cemetery	18 x \$1.00	(\$216)	(\$216)	(\$216)
MOPHS	18 x \$5.00	(\$1,080)	(\$1,080)	(\$1,080)
TOTAL		(\$3,240)	(\$3,240)	(\$3,240)

Therefore, DOHSS assumes an annual loss to the four state funds in the amounts of;

	General Revenue	Children's Trust Fund	Endowed Cemetery	MOPHS
Birth Certificates	(\$10,272)	(\$12,840)	(\$2,568)	(\$12,840)
Marriage Statements	(\$864)	(\$1,080)	(\$216)	(\$1,080)
Fund Total	(\$11,136)	(\$13,920)	(\$2,784)	(\$13,920)

ASSUMPTION (continued)

DOHSS also states that Local Public Health Agencies (LPHAs) would lose \$15.00 per certificate. Based on data from January 2005 to current, Local Public Health Agencies, collectively, issued an average of 4,924 birth certificates monthly, for birth years 1920 - 1940, which includes persons 65 years of age or older (LPHA's have the ability to issue birth certificates only back to 1920). We assumed that due to deaths and no need for a driver's license, only 35% of people born in those years would still need to prove "lawful presence" under current legislation. Thus, approximately 1,723 birth certificates per month would not be issued, or revenue of approximately \$25,845, per month would be lost, with an annual loss for FY 07, FY08 and FY09 of \$310,140. FY 07 costs are for 12 months since this bill has an emergency clause.

Oversight assumes this proposal will allow persons 65 and older to renew their drivers license without having a valid birth certificate and possibly a marriage certificate(s). Oversight assumes this additional revenue has not been collected by the state or by Local Public Health Agencies for this specific purpose in the past. SB 1233 in 2004 added the requirement, beginning July 1, 2005, that the applicant for a driver's license be "lawfully present in the United States". Therefore, Oversight will assume that the birth certificate and marriage license revenue that the state and locals will generate from this added requirement was not collected previously, and therefore, the elimination of this requirement (from persons 65 years and older) will not reduce revenue that had been collected in the past. However, for the fiscal note, Oversight will assume this proposal will not reduce revenues that had previously been collected. Therefore, Oversight will assume no fiscal impact from the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal exempts individuals who are 65 years of age or older and have previously been issued a Missouri noncommercial driver's license, noncommercial instruction permit, or nondriver's license from showing proof of lawful presence at the time of renewal.

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 Health and Senior Services

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

Mickey Wilson, CPA
Director
April 13, 2006