

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5175-01
Bill No.: HB 1780
Subject: Licenses - Driver's; Motor Vehicles; Revenue Department.
Type: Original
Date: March 3, 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. In addition, programming modifications to the Missouri Electronic Driver License (MEDL) system will be required to exempt applicants born prior to January 1, 1941 who were previously issued a Missouri noncommercial driver license, noncommercial instruction permit or nondriver license from providing proof of lawful presence. In addition, administrative rules, procedures, website and other documents listing the required documents for proof of lawful presence must be revised. DOR assumes the programming and document revision costs will be absorbed.

Officials from the **Department of Health and Senior Services (DHSS)** 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 of \$38,520.

| Birth Certificates | Calculation | FY 2007 | FY 2008 | FY 2009 |
|--------------------|--------------|------------|------------|------------|
| General Revenue | 214 x \$4.00 | (\$8,560) | (\$10,272) | (\$10,272) |
| Children's Trust | 214 x \$5.00 | (\$10,700) | (\$12,840) | (\$12,840) |
| Endowed Cemetery | 214 x \$1.00 | (\$2,140) | (\$2,568) | (\$2,568) |
| MOPHS | 214 x \$5.00 | (\$10,700) | (\$12,840) | (\$12,840) |
| TOTAL | | (\$32,100) | (\$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 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) and for an annual loss of \$3,240.

| Marriage Certificates | Calculation | FY 2007 | FY 2008 | FY 2009 |
|-----------------------|-------------|-----------|-----------|-----------|
| General Revenue | 18 x \$4.00 | (\$720) | (\$864) | (\$864) |
| Children's Trust | 18 x \$5.00 | (\$900) | (\$1,080) | (\$1,080) |
| Endowed Cemetery | 18 x \$1.00 | (\$180) | (\$216) | (\$216) |
| MOPHS | 18 x \$5.00 | (\$900) | (\$1,080) | (\$1,080) |
| TOTAL | | (\$2,700) | (\$3,240) | (\$3,240) |

Therefore, DHSS 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)

DHSS 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 FY08 and FY09 of \$310,140. FY 07 costs are for 10 months, or \$258,450.

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 | FY 2008 | FY 2009 |
|---|------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2007 | FY 2008 | FY 2009 |
|---|------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

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

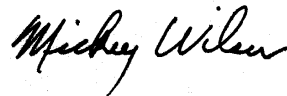
DESCRIPTION

This proposal exempts applicants for a renewal of a noncommercial driver's license, noncommercial instruction permit, or nondriver's license who were born prior to January 1, 1941, from showing proof of lawful presence.

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
March 3, 2006