

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4430-08
Bill No.: HCS for SS for SCS for SB 470
Subject: Motor Carriers; Transportation; Transportation Dept.; Roads and Highways
Type: Original
Date: April 26, 2012

Bill Summary: The proposal modifies various provisions relating to the regulation of household movers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 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 Transportation, Department of Labor and Industrial Relations, Department of Revenue and Administrative Hearing Commission** assume there will be no fiscal impact to their agencies.

Section 302.700 and 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 Section 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 (DOR)** 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

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

VL:LR:OD

ASSUMPTION (continued)

federal licensing requirement. 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 the personal service cost related to this proposal. However, should the extent of the work be more than anticipated, the department could request additional appropriation and/or FTE through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<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

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

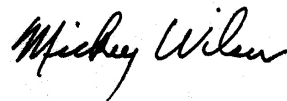
FISCAL DESCRIPTION

The proposed legislation modifies various provisions relating to the regulation of household movers and amends provisions relating to commercial driver's licenses.

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 Transportation
Department of Labor and Industrial Relations
Administrative Hearing Commission
Department of Revenue

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

Mickey Wilson, CPA
Director
April 26, 2012