

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0492-01  
Bill No.: HB 62  
Subject: Licenses - Drivers'; Fees; Revenue Department  
Type: Original  
Date: January 31, 2013

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Bill Summary: This proposal requires applicants taking the written portion of the drivers' license examination more than once to pay a \$10 fee.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$54,552)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$54,552)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Highway Fund	Less than \$1,591,463	Less than \$1,909,755	Less than \$1,909,755
<b>Total Estimated Net Effect on Other State Funds</b>	<b>Less than \$1,591,463</b>	<b>Less than \$1,909,755</b>	<b>Less than \$1,909,755</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>Less than \$530,487</b>	<b>Less than \$636,585</b>	<b>Less than \$636,585</b>

## FISCAL ANALYSIS

### ASSUMPTION

The proposed language requires any applicant taking the written portion of the non-commercial driver license examination more than once, to pay a \$10 fee for each additional retake. All fees collected shall be distributed pursuant to article IV, section 30(b) of the Constitution of Missouri.

### Administrative Impact

Officials from the **Department of Revenue (DOR)** state these proposed changes in this section will require the Department to:

Work with the Missouri State Highway Patrol (MSHP) to develop an automated system for transferring all test data and retake attempts from the MSHP Driver Examination Division test sites to the Department of Revenue so fees may be applied correctly at the time of application for a license or permit;

Modify and test changes to the Missouri Transportation Accounting System (MTAS) to accommodate the new fee and distribution of monies as required;

Modify and test changes to the Missouri Electronic Driver License Central Issuance system (MEDL-CI) to incorporate collection and accounting of the \$10 written examination fee;

Update web site information related to driver examination processes and fees;

Update the Driver Guide to include reference to change in assessment of fees; and

Modify driver license forms related to examination requirements and fees.

### Drivers License Bureau (DLB) – FY14

Administrative Analyst –	200 hrs @ \$24 (1 ½) per hr =	\$4,800
Management Analyst Specialist II –	240 hrs @ \$23 per hr =	\$5,520
Revenue Band Manager -	40 hrs @ \$30 per hr =	<u>\$1,200</u>
	<b>Total =</b>	<b>\$11,520</b>

ASSUMPTION (continued)

**Personnel Service Bureau (PSB) –FY14**

Personnel costs for the PSB for updating of DLB related forms, procedures and manuals and updating of website information related to the driver examination process and driver license and instruction permit examination fees.

1 Administrative Analyst III -	40 hrs @ \$22 per hr =	\$880
2 Management Analysis Specialist 1 -	160 hrs @ \$20 per hr =	<u>\$3,200</u>
<b>Totals =</b>		<b>\$4,080</b>

**OA-ITSD Impact**

Due to the programming effort required, the Department requests the sponsor consider this act becoming effective on the date the Department and MSHP completes the applicable development, programming and testing of changes to transfer the data electronically and the Department make changes to the Missouri Electronic Driver License system and supporting programs, or on January 1, 2014, whichever occurs first.

IT will have to work with the MSHP to create an interface to receive test data electronically.

Database group will need to create a new database to store records in so MEDL-CI can charge appropriately.

MEDL-CI will have to make changes to the testing process and accounting for the fee collection.

Missouri Driver License System (MODL) will have to create new screens to display test data. They will also have to provide the information to MEDL. They will receive the interface file from the MSHP to update records appropriately.

These proposed changes in this section will require:

Design: 960 hours

MEDL-CI: 160 hours

MODL: 240 hours

Database: 80 hours

ASSUMPTION (continued)

The IT fiscal impact is estimated with a level of effort valued at \$38,952 calculated on 1,440 FTE hours.

In summary, DOR assumes a cost of \$54,552 (\$11,520 + \$4,080 + \$38,952) in FY 2014 to provide for the implementation of the changes in this proposal.

Revenue Impact

For purposes of this fiscal response, the Department assumes this fee applies to non-commercial written examinations for Class E, F and M only. The total number of Class E (20,375), F (212,247) and M (22,012) written examinations with a failing score requiring retake of the examination during calendar year 2012 was 254,634.

The estimated annual revenue increase from non-commercial written examinations which may be taken more than once in FY `14 is \$2,121,950 (254,634 x \$10 (proposed fee) = \$2,546,340/12 = \$212,195x10 months). Estimated distribution of fees:

**FY 14**

\$2,121,950 x 75 % = \$1,591,463 to Highway Fund

\$2,121,950 x 15% = \$318,292 to Cities

\$2,121,950 x 10% = \$212,195 to Counties

**FY 15 and FY 16**

\$2,546,340 x 75 % = \$ 1,909,755 to Highway Fund

\$2,546,340 x 15% = \$381,951 to Cities

\$2,546,340 x 10% = \$254,634 to Counties

**Oversight** assumes the number of failed drivers' licence examination would decrease due to the additional fee. However, Oversight has no basis for estimating this decline and therefore will reflect a potential increase in fees of "less than" the estimated provided by the Department of Revenue.

ASSUMPTION (continued)

Officials from the **Department of Public Safety - Missouri Highway Patrol** state that currently, the Patrol has 142 written test locations. Of those test locations, 119 of the 142 are staffed by traveling crews due to the rural, less populated areas of the state. The 23 full-time locations have computer testing which is linked via internet connections to the Patrol server. The transfer of test information at these sites is "real time". Approximately 70 of the 119 traveling crew sites are equipped with computer "test tablets" which allow computer written testing to occur; however, the test data is not transferred to the Patrol server in "real time" due to poor to no internet connectivity in the rural areas. The test data with the computerized test tablets is transferred to the Patrol's server in "batch files" on a weekly basis. The remaining 49 written test locations are still conducting written tests by use of pencil and paper.

Transferring test data electronically at these 49 locations would be non-existent.

Currently, all fees for licensing are collected by the Missouri Department of Revenue (DOR). The computer systems with Patrol and DOR are not integrated.

The Patrol assumes that fees will be collected by DOR at the fee offices since the Patrol does not have the authority or means to collect fees at the testing locations. For purposes of this fiscal note, the Patrol assumes that the applicant would first be required to go to the fee office to obtain a document allowing them to take a written test. The document from DOR would be presented to the Patrol's examination officer who would then administer the written test to the applicant. If the applicant failed the test, the examination officer would make the notation on the document from DOR and the applicant would be required to return to the license fee office and pay a \$10 fee in order to take another test. Therefore, the Highway Patrol anticipates no fiscal impact.

Officials from the **Department of Transportation** concur with the Department of Revenue regarding any possibly positive fiscal impact.

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

**This proposal would increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE</b>			
<u>Cost - DOR</u> Administrative Cost	<u>(\$54,552)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$54,552)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
 <b>HIGHWAY FUND</b>			
<u>Revenue - DOR - Increase from non- commercial written exam fees (\$10)</u>	Less than <u>\$1,591,463</u>	Less than <u>\$1,909,755</u>	Less than <u>\$1,909,755</u>
<b>ESTIMATED NET EFFECT TO THE HIGHWAY FUND</b>	<b><u>Less than \$1,591,463</u></b>	<b><u>Less than \$1,909,755</u></b>	<b><u>Less than \$1,909,755</u></b>
 <u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue - Cities - Increase from non- commercial written exam fees (\$10)</u>	Less than <u>\$318,292</u>	Less than <u>\$381,951</u>	Less than <u>\$381,951</u>
<u>Revenue - Counties - Increase from non- commercial written exam fees (\$10)</u>	Less than <u>\$212,195</u>	Less than <u>\$254,634</u>	Less than <u>\$254,634</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Less than \$530,487</u></b>	<b><u>Less than \$636,585</u></b>	<b><u>Less than \$636,585</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 proposal requires an applicant taking the written portion of the driver's license examination more than once to pay a \$10 fee for each additional time he or she must retake the examination. All of these fees must be payable to the Director of the Department of Revenue for deposit in the State Road Fund established under Article IV, Section 30(b) of the Missouri Constitution.

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 Public Safety  
Department of Elementary and Secondary Education  
Department of Transportation



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Acting Director  
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