

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5236-01
Bill No.: HB 1447
Subject: Licenses - Driver's
Type: Original
Date: February 18, 2014

Bill Summary: This proposal specifies that no person shall have to produce source documents for a driver's license renewal if the documents were necessary to obtain the original driver's license.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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

§ 302.067

Officials from the **Department of Revenue (DOR)** assume this new section prohibits the Department from requiring applicants whose source documents have been previously verified from having to present such documents upon application for renewal or replacement of the same driver's license or nondriver's license.

Administrative Impact

FY '15 - Driver License Bureau

Administrative Analyst I-	200 hrs @ \$26 per hr = \$5,200
Management Analyst Specialist II	200 hrs @ \$24 per hr = \$4,800
Revenue Band Manager -	20 hrs @ \$32 per hr = <u>\$640</u>
	Total = \$10,640

ASSUMPTION (continued)

FY '15 Personnel Services Bureau

Update web page - Administrative Analyst III	10 hrs @ \$23 = \$230
Update forms - Management Analysis Spec I	20 hrs @ \$22 = \$440
Update procedures - Management Analysis Spec I	20 hrs @ \$22 = <u>\$440</u>
	Total = \$1,110

OA ITSD

Missouri Electronic Driver License - Central Issuance System will require changes to existing document verification waiver process at a cost of \$1,092.

In summary, DOR assumes a cost of \$12,842 (\$10,640 + \$1,110 + \$1,092) in FY 2015 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Revenue Impact

The proposed Section 302.067 does not specify requirements of non-commercial versus commercial driver license application processing. To comply with Federal Motor Carrier Safety Regulations for commercial driver license issuance 49 CFR 383.73, the Department is required to have commercial driver license and commercial driver license instruction permit applicants present the source documents to verify U.S. citizenship.

Failure to comply with federal regulations could result in the loss of Missouri's portion of federal highway funds, with the first year of non-compliance resulting in 4% reduction (approximately \$31 million), and each subsequent year subject to an 8% reduction (approximately \$62 million). Missouri may lose the ability to issue CDLs if not compliant.

Oversight assumes Missouri will be in compliance with the mandated provisions and will assign no cost for sanctions.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

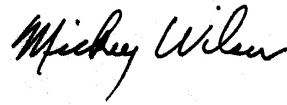
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

Office of the Secretary of State
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, stylized "M" and "W".

Mickey Wilson, CPA
Director
February 18, 2014

Ross Strobe
Assistant Director
February 18, 2014