

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4128-01  
Bill No.: HB 1507  
Subject: Licenses - Driver's; Revenue, Department of  
Type: Original  
Date: December 21, 2015

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Bill Summary: This proposal requires same-day service for driver's license issuance and renewal, prior to January 2, 2018.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Less than \$100,000)	(Greater than \$5,000,000)	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Less than \$100,000)</b>	<b>(Greater than \$5,000,000)</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any Of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume this legislation proposes that the department implement same-day service for license issuance and renewal in which an applicant's license is printed in the individual license office and is issued to the applicant at the time of his or her application.

#### Administrative Impact:

The changes to this section will require the department to:

- Amend the current license issuance contract with the vendor to acquire over-the-counter printers, card design functionality and consumables required to produce the driver and nondriver licenses in the license offices.
- Modify the Missouri Electronic Driver License Central Issuance system and supporting applications to allow for processing of the driver and nondriver license in the license offices.
- Install new equipment in each of the 178 license offices.
- Install new equipment in the central office for testing and development.
- Modify website information, forms and manuals with references to license issuance requirements and new card design elements.
- Complete test case development and end user testing of hardware and license issuance procedures for issuance of the driver and nondriver license documents.
- Deploy outreach efforts to inform the public, state and federal agencies and other entities using a Department of Revenue issued driver or nondriver license (identification card) for verification of identity of the changes.
- On-going management of inventory processes for maintaining document production consumables in all offices.
- OA-ITSD would require several programming changes.

#### FY `17 - Driver License Bureau

Administrative Analyst II -	960 hrs @ \$31.00 (1 1/2) per hr =	\$29,760
Management Analyst Specialist II -	1000 hrs @ \$25.00 per hr =	\$25,000
Revenue Band Manager II -	320 hrs @ \$32.00 per hr =	<u>\$10,240</u>
		<b><u>\$65,000</u></b>

ASSUMPTION (continued)

FY 17 - Personnel Services Bureau

Update Web Page Information - Administrative Analyst III	10 hrs @ \$24.00 = \$ 240
Develop Form - Management Analysis Spec I	80 hrs @ \$22.00 = \$1,760
Develop Procedures - Management Analysis Spec I	80 hrs @ \$22.00 = <u>\$1,760</u>
	<b>\$3,760</b>

Total OA-ITSD Impact for FY `17 is 562 hours at \$75 per hour = \$42,150.

DOR assumes the equipment and card design software will be provided by a vendor. If not, then a graphics designer would need to be hired.

In summary, DOR assumes a cost of \$110,910 (\$65,000 + \$3,760 + \$42,150) in FY 2017 to provide for the implementation of the changes in this proposal.

To meet the requirements of this proposal DOR assumes the department must amend the current license issuance hardware and card printing vendor contract to acquire over-the-counter printers, card design and consumable card materials in all offices.

The cost to obtain the necessary printers for each of the 178 license offices and central office systems, maintenance, card design hardware and software and consumables by amending the current contract is estimated to be a one-time cost of \$5,000,000 until the end of the contract.

The current contract is set to expire in September of 2016, and once the contract is rebid with over-the-counter issuance as prescribed by this legislation, the per-document cost will increase. It's unknown what the increased cost to the state will be in FY `18 and future fiscal years.

Officials from the **State Treasurer's Office** assume the proposal will have no fiscal impact on their organization.

**Oversight** will assume a cost of "Less than \$100,000" to the General Revenue Fund in FY 2017 and a cost of "Greater than \$5,000,000" to the General Revenue Fund in FY 2018 to implement Administrative and Personnel changes and for the one time contract cost.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>GENERAL REVENUE</b>			
<u>Cost - DOR</u>			
Administrative and printer cost	(Less than <u>\$100,000</u> )	(Greater than <u>\$5,000,000</u> )	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE</b>	<b>(Less than <u>\$100,000</u>)</b>	<b>(Greater than <u>\$5,000,000</u>)</b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

License Offices could have a potential negative fiscal impact as a result of this proposal.

FISCAL DESCRIPTION

This proposal requires, by January 2, 2018, the Department of Revenue to provide same day service for the issuance and renewal of a driver's license. The license will be printed and issued at the individual license office at the time of his or her application.

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  
State Treasurer's Office

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

Mickey Wilson, CPA  
Director  
December 21, 2015

Ross Strobe  
Assistant Director  
December 21, 2015