

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0263-01
Bill No.: HB 241
Subject: Transportation; Licenses - Driver's; Motor Carriers; Department of Revenue
Type: Original
Date: January 18, 2019

Bill Summary: This proposal requires certain training and testing accommodations for Commercial Driver's License applicants who are deaf or hard of hearing.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$16,487)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$16,487)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Federal Highway Funds	\$0	\$0 or (Up to \$26,000,000)	\$0 or (Up to \$52,000,000)
Federal Motor Carrier Safety Assistance Program Fund	\$0	\$0 or (Up to \$200,000)	\$0 or (Up to \$500,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0 or (Up to \$26,200,000)	\$0 or (Up to \$52,500,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** assume the proposal will have no fiscal impact on their organization.

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Work with OA-ITSD to update the Missouri Electronic Driver License system (MEDL) and the Missouri Driver License system (MODL);
- Complete programming and user acceptance testing;
- Update procedures and the Department website;
- Update the Uniform License Issuance Manual (ULIM); and
- Update the Missouri Driver Guide.

FY 2020 - Driver License Bureau

Management Analysis Spec II	160 hrs. @ \$20.57 per hr.	= \$3,291
Administrative Analyst II	80 hrs. @ \$17.13 per hr.	= \$1,370
Revenue Manager	40 hrs. @ \$20.59 per hr.	= \$ 824
Total		= \$5,485

FY 2020 - Personnel Services Bureau

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Management Analysis Spec I	10 hrs. @ \$18.42 per hr.	= \$ 184
Total		= \$ 382

Total Cost **= \$5,867**

OA-ITSD services will be required at a cost of **\$10,611** (141.48 hours x \$75 per hour) in FY 2020.

In summary, DOR assumes a cost of **\$16,478** (\$5,867 + \$10,611) in FY 2020.

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's costs on the fiscal note.

ASSUMPTION (continued)

Revenue Impact

DOR also notes that guidance from the Federal Motor Carrier Safety Administration in regards to prohibited use of interpreters for the commercial skills testing under 49 CFR 383.133, is that sign language interpreters are prohibited during the skills testing.

Implementation of accommodations that do not comply with federal test standards may result in a withholding of federal-aid highway funds apportioned to the State, as defined in 49 CFR 374.401, as up to 4 percent (\$26 million) following the first year of non-compliance and up to 8 percent (\$52 million) in the second and subsequent years of non-compliance.

Based on DOR's assessment, **Oversight** will range the fiscal impact on federal funds as \$0 (implementation of accommodations is found to be in compliance with federal regulations) to a loss of \$26 million in FY 2021 and a loss of \$52 million in FY 2022 (implementation of accommodations is found to be non-compliant with federal regulations).

Officials at the **Department of Public Safety - Missouri Highway Patrol (MHP)** state that in addition to the loss of federal highway funds mentioned by DOR, the MHP currently receives approximately \$2 million per year in Motor Carrier Safety Assistance Program (MCSAP) Funds.

The MCSAP Grant currently funds the salary and fringe benefits for six full-time employees. If the Patrol would become non-compliant, MCSAP funding could be reduced as follows:

- Up to 10 percent of MCSAP funds for the first full fiscal year of noncompliance, or approximately \$200,000
- Up to 25 percent of MCSAP funds for the second full fiscal year of noncompliance, or approximately \$500,000
- Not more than 50 percent of MCSAP funds for the third and any subsequent full fiscal year of noncompliance, or approximately \$1 million

Based on MHP's assessment, **Oversight** will range the fiscal impact on these federal funds as \$0 (implementation of accommodations is found to be in compliance with federal regulations) to a loss of \$200,000 in FY 2021 and a loss of \$500,000 in FY 2022 (implementation of accommodations is found to be non-compliant with federal regulations).

ASSUMPTION (continued)

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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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 require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Cost</u> - DOR - Administrative costs	(\$5,867)	\$0	\$0
<u>Cost</u> - DOR - IT services	(\$10,611)	\$0	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$16,487)</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL HIGHWAY FUNDS			
<u>Loss</u> - MoDOT - Missouri potentially out of compliance with federal regulations	\$0	\$0 or (Up to \$26,000,000)	\$0 or (Up to \$52,000,000)
ESTIMATED NET EFFECT ON FEDERAL HIGHWAY FUNDS	<u>\$0</u>	<u>\$0 or (Up to \$26,000,000)</u>	<u>\$0 or (Up to \$52,000,000)</u>
FEDERAL MOTOR CARRIER SAFETY ASSISTANCE PROGRAM FUND			
<u>Loss</u> - MHP - Missouri potentially out of compliance with federal regulations	\$0	\$0 or (Up to \$200,000)	\$0 or (Up to \$500,000)
ESTIMATED NET EFFECT ON THE FEDERAL MOTOR CARRIER SAFETY ASSISTANCE PROGRAM FUND	<u>\$0</u>	<u>\$0 or (Up to \$200,000)</u>	<u>\$0 or (Up to \$500,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses which provide CDL training would be affected by this proposal.

FISCAL DESCRIPTION

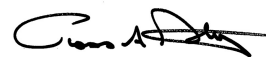
This bill requires any department or entity providing CDL training to persons preparing to apply for CDL licenses under the provisions of Sections 302.700 to 302.780, RSMo, to provide reasonable accommodations for persons who are deaf or hard of hearing. Specific requirements shall be set by rules promulgated by the Director of the Department of Revenue.

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 Revenue
Department of Public Safety - Missouri Highway Patrol
Office of the Secretary of State
Joint Committee on Administrative Rules

Kyle Rieman
Director
January 18, 2019



Ross Strope
Assistant Director
January 18, 2019