

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3232-01
Bill No.: HB 1607
Subject: Veterans; Department of Revenue; Motor Vehicles; Licenses - Driver's
Type: Original
Date: January 7, 2020

Bill Summary: This proposal requires designations of veteran status to be placed on the front of official driver's licenses and ID cards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	\$0 or (\$28,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (\$28,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§302.188.3

The department is required to place the veteran designation notation on the front of the Missouri Driver License and Identification card.

Administrative Impact

The proposed legislation would require the Department to work with our licensee issuance vendor to modify the card design for driver license and nondriver identification card printing to include a veteran notation on the front side of the license for a folio change. The current card format does not have the available space to allow for a string of information as it appears to be required by the proposed language.

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

- Work with the driver license issuance vendor to modify driver license and nondriver license card design to allow for placement of the proposed data string detailing the requested medical notation;
- Complete user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system and supporting applications for the notation and folio change;
- Submit a change request to the current license vendor to modify the driver license and nondriver identification card and request a placeholder for a veteran notation on the front of the license;
- Update forms, manuals, correspondence letters, and the Department website;
- Update the mail-in application forms for military renewal application;
- Update the on-line and printed versions of the Missouri Driver Guide, Missouri Motorcycle Guide and Commercial Driver License Manual;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM); and
- Train staff.

FY 2021 - Driver License Bureau

Administrative Analyst II	80 hrs. @ \$17.13 per hr.	= \$1,370
Management Analysis Spec II	80 hrs. @ \$20.57 per hr.	= \$1,646
Revenue Manager	80 hrs. @ \$20.59 per hr.	= \$1,647
Total		= \$4,663

ASSUMPTION (continued)

Administrative Impact (continued)

FY 2021 - Personnel Services Bureau

Administrative Analyst II	10 hrs. @ \$18.75 per hr.	= \$187.50
Management Analysis Spec I	30 hrs. @ \$18.75 per hr.	= \$562.50
Total		= \$750.00

Total Costs = **\$ 5,413**

License Vendor Cost FY 2021

The Department is scheduled to implement a new driver license issuance system upgrade and new card design as part of the new vendor contract in July 2020. This will be phased in implementation for license office upgrades. If the Department includes the new veteran notation as a part of the new contact card design, additional fees for card modification will not be incurred. However, if the Department is required to modify the card design after the new contract is completed, the estimated one-time cost for the vendor would be **\$28,000**.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note. However, Oversight will range the fiscal impact of this proposal from \$0 (modification made to card design before new contract is finalized) or a cost of \$28,000 (modification made to card design after the new contract has been finalized) in FY 2021.

DOR notes OA-ITSD services will be required at a cost of \$3,386 in FY 2021 (35.64 x \$95 per hour).

Oversight assumes DOR is provided with core funding to handle a certain amount of computer programming activity each year. Oversight assumes DOR could absorb the programming 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.

Officials from the **Department of Transportation** and **Office of the Secretary of State** each assume the proposal will have no fiscal impact on their respective organizations.

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.

ASSUMPTION (continued)

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Cost - DOR - modification to card design</u>	<u>\$0 or (\$28,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 or (\$28,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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

Currently, a veteran may have a veteran designation placed on his or her driver's license if he or she provides specified information. Currently, it is up to the Department of Revenue to determine where the designation appears on the license.

This bill requires the Department to place the designation on the front of the driver's license.

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 Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
January 7, 2020



Ross Strobe
Assistant Director
January 7, 2020