

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3680H.02C
Bill No.: HCS for HB Nos. 1626 & 1940
Subject: Transportation; Department of Revenue; Licenses - Driver's
Type: Original
Date: February 13, 2024

Bill Summary: This proposal modifies provisions relating to school bus endorsements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	(\$11,159)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$11,159)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

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

- Review rules and regulations and initiate changes as applicable;
- Project documentation development and oversight
- Work with OA-ITSD to develop business requirements and system design for the Missouri Electronic Driver License system and supporting applications to incorporate new renewal terms for CDL holders age seventy to seventy-six and changing the mandatory age for an annual retest for school bus endorsement holders issuance.
- Work with contract modernized system vendor to define required system changes for MVDL system named “FUSION.”
- Work with MSHP and DOR Third Party test sites to define changes to testing procedures for current programs and upgraded testing programs.
- OA ITSD complete programming and user acceptance testing;
- Update procedures, forms, and the Department website;
- Update the Uniform License Issuance Manual (ULIM);
- Update the on-line address change request process;
- Vendor complete changes and user testing for FUSION.
- Update the Missouri Driver Guide (on-line and printed versions);
- Update the Missouri CDL Manual; and
- Modify internal training programs and train staff.

FY 2025 - Driver License Bureau

Research/Data Assistant 200 hrs. @ \$19.38 per hr. =\$3,876
Research/Data Analyst 240 hrs. @ \$28.88 per hr. =\$6,931
Administrative Manager 100 hrs. @ \$33.24 per hr. =\$3,324
Total =\$14,131

FY 2025 - Personnel Services Bureau

Associate Research/Data Analyst 80 hrs. @ \$23.15 per hr. = \$1,852

Total Administrative Costs **\$15,983**

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect these administrative costs DOR has indicated on the fiscal note.

DOR notes, due to the significant change in testing requirements, additional costs may be incurred by DOR and Missouri Highway Patrol (MHP) to draft changes and reprint the non-commercial driver guide and commercial driver license manual. Currently MHP incurs the cost for printing of the manuals.

DOR notes OA-ITSD services will be required at a cost of **\$11,159** in FY 2025 (106.28 hours x \$105 per hour).

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

Revenue Impact

DOR notes, during FY 2023, there were 266 one-year commercial licenses with school bus endorsement issued that required skills testing for persons aged 70 and over. The fees are waived for applicants of this type today. Under the proposed changes, individuals aged 70-76 would be eligible for update to a three-year license and applicable renewal fees will be collected.

Potential revenue increase:

FY 2023 annual school bus endorsed commercial license renewals = 266
 $266 \times \$20.00 = \$4,600$ estimated revenue increase due to 3 year versus annual renewal

The estimated increased revenue from the change in issuance term would be distributed to State Highway, Cities and Counties as follows:

75% to Highway Fund= \$3,495
15% to Cities = \$699
10% to Counties = \$466

There may be a minimal increase in revenue from branch office processing fees related to the change from an annual to a three-year processing fee for persons aged 70-76 years of age renewing a commercial license with school bus endorsement. Contract license offices may also see an increase in processing fee collections statewide related to the term of issuance change for commercial driver license applicants seventy to seventy-six years of age.

DOR's new Motor Vehicle and Driver Licensing system vendor indicates that this will require amendments to system edits.

Since the proposed implementation date is prior to the go-live date for the driver license services upgrade, the vendor estimated, based on initial review, that this could be incorporated as part of the original implementation and no additional cost will be incurred. If more significant system changes are required the impact may change.

Oversight assumes the projected increase in revenue is not material; therefore, Oversight will not reflect the minimal increase to the state or to cities/counties.

Officials from the **Missouri Highway Patrol, Missouri Department of Transportation and Department of Elementary and Secondary Education** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2025	FY 2026	FY 2027
GENERAL REVENUE			
Cost – DOR – OA-ITSD costs	<u>(\$11,159)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$11,159)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small license contract offices could be impacted as a result of this proposal.

FISCAL DESCRIPTION

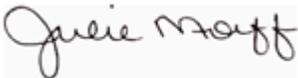
Currently, for persons 70 years and older who have school bus endorsements on their drivers’ license, the license is issued or renewed for only one year at a time, the renewal fee is waived, the school bus portion of the drivers’ license examination must be taken annually, and a commercial drivers’ license with a school bus endorsement must be issued annually. This bill changes the age for these specific provisions to age 77 or over.

This bill contains an emergency clause.

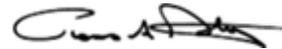
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Missouri Highway Patrol
Department of Elementary and Secondary Education
Missouri Highway Patrol



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February 13, 2024



Ross Strope
Assistant Director
February 13, 2024