

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3871H.01I
Bill No.: HB 1940
Subject: Transportation; Department of Revenue; Licenses - Driver's
Type: Original
Date: January 12, 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	(\$14,878)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$14,878)	\$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 Class E holders with a school bus endorsement and CDL holders age seventy to seventy-four and changing the mandatory age for an annual retest for school bus endorsement 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.
- Vendor complete changes and user testing for FUSION.
- Update procedures, forms, and the Department website.
- Update the Uniform License Issuance Manual (ULIM).
- Update the Missouri Driver Guide (on-line and printed versions).
- Update the Missouri CDL Manual.
- 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 the administrative costs DOR has indicated on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of **\$14,878** in FY 2025 (141.70 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.

MVDL Integrated System

DOR states their new Motor Vehicle and Driver Licensing system vendor indicates that this will require amendments to defined system edits. Since the proposed implementation date is prior to the go-live date for the driver license services upgrade, they estimated based on initial review that this could be incorporated as part of original implementation and no additional cost will be incurred. If more significant system changes are required the impact may change.

Revenue Impact

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.

During FY 2023 there were approximately 800 one-year commercial license renewals with a school bus endorsement that required skills testing for persons aged seventy and over. The transaction and testing fees are waived for annual renewal applicants today.

The change to allow persons aged seventy to seventy-four to be issued a two-year renewal may result in a minimal increase in transaction fees of less than \$6,000 annually the first year of implementation, but this minimal increase will average out in coming years.

There may be a minimal increase in revenue from branch office processing fees collected in the Department central branch office from the proposed allowance for a three-year renewal for school bus endorsement holders aged seventy to seventy-four the first year of implementation, but this minimal increase will average out in coming years.

Oversight does not have information to the contrary and therefore, **Oversight** will not reflect any increase in revenue as **DOR** has indicated it to be minimal.

Officials from the **Missouri Highway Patrol** 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.

Officials from the **Missouri Department of Transportation** defer to the Department of Revenue for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Cost – DOR – OA-ITSD costs</u>	<u>(\$14,878)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$14,878)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	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.

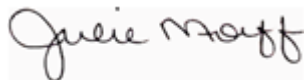
FISCAL DESCRIPTION

This proposal modifies provisions relating to school bus endorsements.


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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 Director
 January 12, 2024



Ross Strobe
 Assistant Director
 January 12, 2024