

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4404H.02I
Bill No.: HB 1794
Subject: Motor Vehicles; Courts; Fees; Licenses - Driver's
Type: Original
Date: February 14, 2024

Bill Summary: This proposal modifies provisions relating to driver's licenses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	(\$142,988)	(\$124,427)	(\$241,585)
Total Estimated Net Effect on General Revenue	(\$142,988)	(\$124,427)	(\$241,585)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Highway Fund	\$0	\$61,223	\$122,445
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$61,223	\$122,445

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
General Revenue	0 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	0 FTE	3 FTE	3 FTE

- 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	\$20,408	\$40,815

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:

- Test changes to MODL generated driving privileges
- CTG programming changes
- Update reports, forms, and the Department website
- Training for employees

FY 2025 – Driver License Bureau (testing of forms and website updates)

Research/Data Analyst 160 hrs. @ \$28.89 per hr. = \$4,622

Research/Data Assistant 160 hrs. @ \$19.38 per hr. = \$3,101

Administrative Manager 40 hrs. @ \$31.36 per hr. = \$1,254

Total = \$8,977

FY 2025 – Strategy and Communications Office (forms and website updates)

Associate Research/Data Analyst 40 hrs. @ \$23.15 per hr. = \$ 926

Projected Implementation Cost = **\$9,903**

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 also notes OA-ITSD services will be required at a cost of **\$92,988** in FY 2026 (885.60 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.

DOR also notes the costs associated with these legislative changes may be outside of the current contract and identified programming work for DOR's incoming integrated system. As such, the department has included the potential costs associated with making the changes to the integrated system by the department's current vendor.

FY 2025 – Motor Vehicle and Driver Licensing Integrated System Vendor (Fusion)
Implementation Consultant 200 hrs. @ \$250 per hr. = **\$50,000**

Oversight does not have information to the contrary and therefore, Oversight will reflect the Fusion Implementation estimates as provided by DOR.

DOR also notes currently, the department processes Instate Failure to Appear (FACT) suspensions from state courts for major and minor traffic violations, and for county and municipal courts for major violations. The department is allowed to process suspensions on minor violations if the following occur:

- The violation occurred in a Commercial Motor Vehicle (CMV),
- The driver is a Commercial Driver License holder (CDL),
- The violation occurred in a school or construction zone, and/or
- The driver is involved in an accident or accident with injury.

Prior to the passage of Senate Bill 5 in 2015, the department was able to process FACT suspensions from all courts for both major and minor traffic violations. Therefore, the following statistics are available showing the decreased volume of suspensions processed by the law change and the Municipal Court practices revised by the Missouri Supreme Court ruling.

FY 2015:	119,141 FACT suspensions processed by the department 77,281 FACT compliances processed by the department
FY 2016:	60,460 FACT suspensions processed by the department 44,651 FACT compliances processed by the department
FY 2017:	41,405 FACT suspensions processed by the department 28,544 FACT compliances processed by the department
FY 2018:	38,249 FACT suspensions processed by the department 27,975 FACT compliances processed by the department
FY 2019:	39,108 FACT suspensions processed by the department 25,562 FACT compliances processed by the department
FY 2020:	27,640 FACT suspensions processed by the department 29,692 FACT compliances processed by the department
FY 2021:	16,165 FACT suspensions processed by the department 39,176 FACT compliances processed by the department

FY 2022: 18,580 FACT suspensions processed by the department
20,113 FACT compliances processed by the department

FY 2023: 14,893 FACT suspensions processed by the department
25,126 FACT compliances processed by the department

The suspensions processed decreased from:
FY 2015 to FY 2023 at 87% ($119,141 - 14,893 = 104,248$, $104,248 / 119,141 = 87\%$).

The compliances processed decreased from:
FY 2015 to FY 2023 at 67% ($77,281 - 25,126 = 52,155$, $52,155 / 77,281 = 67\%$).

The Department presumes that suspensions will increase by 87% and compliances will increase by 67%

FY 2025: 27,850 FACT suspensions ($14,893 + 12,957$ (87% increase) = 27,850)
41,960 FACT compliances ($25,126 + 16,834$ (67% increase) = 41,960)

FTE Requirements

Document Processing

12,957 Additional FACT suspensions received annually
/ 252 Workdays per year
51 Additional suspension notices received daily
/ 304 # of documents an ACSR can process daily
0.17 .17 FTE needed to process additional suspensions

16,834 Additional FACT compliances received annually
/ 252 Workdays per year
67 Additional compliance notices received daily
/ 536 # of documents an ACSR can process daily
0.13 .13 FTE needed to process additional suspension

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the 0.13 FTE DOR has indicated on the fiscal note.

Telephone Inquiries

DOR notes, a telephone operator is expected to process 60 telephone inquiries daily.

12,957	Additional FACT Suspension received annually
<u>x 90%</u>	Percent which will generate telephone inquiries
11,661	
32,000	Current call volume for reinstatement requirements
<u>+ 11,661</u>	Additional calls generated
43,661	
43,661	
<u>/ 252</u>	Workdays per year
173	Telephone inquiries received per day
<u>/ 60</u>	Telephone inquiries processed per day
2.88	3 FTE needed to answer telephone inquiries

Returned Mail

Prior statistics show approximately 33% of suspension notices issued will be returned to DOR undeliverable by the postal authorities due to no current address. This will require data entry by a processing technician and preparation of documents for document imaging post data entry.

12,957	Additional FACT Suspension received annually
<u>X 33%</u>	Percent of notices returned by post office
4,276	Additional returned mail received annually
<u>/ 252</u>	Workdays per year
17	Returned mail received per day
<u>/ 472</u>	Documents processed per day
0.04	0.04 FTE needed to process returned mail

The department anticipates that the processing of returned mail can be absorbed by current staffing. If the increase is more significant than anticipated, additional FTE will be requested through the appropriation process.

Increased Postage, Envelope, & Printing Costs

DOR notes:

First Class Mail Costs:

Suspension notices = 12,957 per year

Reinstatement notices = 16,834 per year

Projected increase of mail = 29,791 per year

FY 2026: $29,791/12 \text{ mos.} = 2,483 \times 6 \text{ mo.} = 14,898$ pieces of mail in the first year after bill passage x \$0.55 = \$8,194 first class postage cost
FY 2027: = \$16,385 first class postage cost
FY 2028: = \$16,385 first class postage cost

Envelope Costs:

Total envelopes = 29,791 per year

FY 2026: $29,791/12 \text{ mos.} = 2,483 \times 6 \text{ mos.} = 14,898$ envelopes in the first year after bill passage x \$0.07 = \$1,043 envelope cost
FY 2027: = \$2,085 envelope cost
FY 2028: = \$2,085 envelope cost

Letter printing cost:

29,791 letters per year

FY 2026: $29,791/12 \text{ mos.} = 2,483 \times 6 \text{ mos.} = 14,898$ pieces of mail in the first year after bill passage x \$0.096 per 1,000 = \$1.49 ($14,898/1000 = 14.90 \times \0.10 printing cost)
FY 2027: = \$2.98 printing cost
FY 2028: = \$2.98 printing cost

Total Postage, Envelope, Printing Costs:

FY 2026: \$8,194 (1st class) + \$1,043 (envelopes) + \$1.49 (printing) = **\$9,238.49**
FY 2027: \$16,385 (1st class) + \$2,085 (envelopes) + \$2.98 (printing) = **\$18,472.98**
FY 2028: \$16,385 (1st class) + \$2,085 (envelopes) + \$2.98 (printing) = **\$18,472.98**

Oversight does not have information to the contrary and therefore, Oversight will reflect the FTE (3) and mailing costs as provided by DOR.

Revenue Impact

Based on FY 2022 statistics, the department estimates that 63% of those individuals who are suspended will submit the fee required for reinstatement. The department anticipates the same rate for this program. This will result in reinstatement fees collected for 8,163 actions annually.

The reinstatement fees for an Instate Failure to Appear Suspension is \$20.

DOR also projects an increase in reinstatement fees collected annually of **\$163,260**

Missouri Constitution, Article IV, Section 30(b) requires funds collected by the department be remitted to the State Highway Fund 75%, to the cities 15%, and to the counties 10%.

Oversight does not have information to the contrary and therefore, Oversight will reflect the increased revenue estimates as provided by DOR.

Officials from the **Office of the State Courts Administrator (OSCA)** assume there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight assumes OSCA is provided with core funding to handle a certain amount of activity each year. Oversight assumes OSCA could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OSCA could request funding through the appropriation process.

Officials from the **Missouri Department of Transportation, Missouri Highway Patrol, Missouri Office of Prosecution Services** and **Office of the State Public Defender** 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, counties and county circuit clerks were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025	FY 2026 (6 Mo.)	FY 2027
GENERAL REVENUE FUND			
<u>Costs – DOR p. 6</u>			
Personnel Service	\$0	(\$62,902)	(\$128,319)
Fringe Benefits	\$0	(\$46,909)	(\$94,793)
Expense & Equipment	\$0	(\$5,379)	\$0
<u>Total Costs - DOR</u>	\$0	(\$115,190)	(\$223,112)
FTE Change	0 FTE	3 FTE	3 FTE
<u>Cost – DOR – OA-ITSD services p. 3</u>	(\$92,988)	\$0	\$0
<u>Cost – DOR – Fusion implementation consultant p. 4</u>	(\$50,000)	\$0	\$0
<u>Cost – DOR – mailing costs p. 7</u>	\$0	(\$9,237)	(\$18,473)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$142,988)</u>	<u>(\$124,427)</u>	<u>(\$241,585)</u>
Estimated Net FTE Change on the General Revenue Fund	3 FTE	3 FTE	3 FTE
HIGHWAY FUND			
<u>Revenue – increase due to increase in reinstatement fees p. 8</u>	\$0	\$61,223	\$122,445
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>\$0</u>	<u>\$61,223</u>	<u>\$122,445</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025	FY 2026 (6 Mo.)	FY 2027
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> (Cities 15%) – increase due to increase in reinstatement fees p. 8	\$0	\$12,245	\$24,489
<u>Revenue</u> (Counties 10%) – increase due to increase in reinstatement fees p. 8	<u>\$0</u>	<u>\$8,163</u>	<u>\$16,326</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$20,408</u>	<u>\$40,815</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill adds attending a place of worship and traveling to and from essential businesses, as described in the bill, to the list of places for which limited driving privileges may be granted.

Currently, if a Missouri resident is charged with a moving violation and fails to dispose of the charges as ordered without good cause, the court informs the resident that it will instruct the Department of Revenue to suspend the defendant's driver's license until charges are properly disposed. Under this bill, the court will inform the defendant that it may instruct the Department of Revenue to suspend the defendant's license.

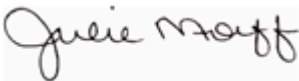
If a Missouri resident is charged with only a minor traffic violation and fails to dispose of the charges as ordered and fails to appear on two return dates without good cause, the court will, within 10 days of the failure to comply, inform the defendant that it may instruct the Department of Revenue to suspend the defendant's driver's license until charges are properly disposed. A person whose license is suspended under these provisions will receive a temporary driving permit for 30 days unless the Director of the Department of Revenue finds the defendant is ineligible under these provisions.

This bill has an effective date of January 1, 2025.

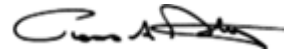
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Missouri Department of Transportation
Missouri Highway Patrol
Office of the State Public Defender
Office of the State Courts Administrator
Missouri Office of Prosecution Services



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Director
February 14, 2024



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