

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4782H.011  
Bill No.: HB 2304  
Subject: Department of Revenue; Licenses - Driver's; Motor Carriers  
Type: Original  
Date: January 22, 2024

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Bill Summary: This proposal requires the Department of Revenue to access the Federal Motor Carrier Safety Administration's Drug and Alcohol Clearinghouse to verify commercial driver's license applicant eligibility.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Numbers within parentheses: () indicate costs or losses.

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

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

- 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.

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

## FISCAL ANALYSIS

### ASSUMPTION

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

#### Administrative Impact

Due to the required interface requirements and timeline for establishment and testing of such, these proposed changes would be implemented only in the new Motor Vehicle Driver License (MVDL) Integrated System (FUSION) that is scheduled to be live in November 2024, which would meet the November 2024 federal regulation compliance date. No action would be taken to complete system changes to current legacy systems or supporting to comply with these provisions.

- Establish connection service to inquire and receive notice from the Drug and Alcohol Clearinghouse (DACH).
- Work with MVDL integrated system vendor to complete requirements gathering, development and testing of requirements to require a check of the DACH as part of new, renewal or duplicate commercial driver license and commercial learner's permit application processing.
- Establish system processing to taken mandatory downgrade, reinstate or termination action as required per notice of a prohibited driver in the DACH.
- Develop notices related to downgrade and reinstatement of commercial privileges related to DACH action.
- Develop website information for the public regarding new provisions and required action.
- Develop public information release and notice to commercial driver industry partners related to the new requirements.
- Vendor to complete system update cutover tasks.
- Send notice to all Missouri commercial driver license or commercial learner's permit holders who prior to implementation of these provisions may be listed as prohibited in the DACH and who will be downgraded upon implementation if they have not met requirement for lifting of the prohibition in the DACH.
- Submit request to OA for special mailing of pre-notification to approximately 3,000 affected drivers prior to implementation.
- Work with vendor for new Motor Vehicle and Driver License system (aka FUSION) system to complete development and testing of requirements for verification through the DACH and resulting system actions, compliance, and reporting.
- Complete user acceptance testing for new FUSION system processing related to DACH inquires and direct notifications.

- Work with DOR Communications and FUSION vendor to modify procedures and training materials.
- Update website and other public information materials.
- Complete training.

FY 2025 - Driver License Bureau

Research/Data Assistant 80 hrs. @ \$19.38 per hr. =\$1,550  
Research/Data Analyst 240 hrs. @ \$28.88 per hr. =\$6,931  
Administrative Manager 100 hrs. @ \$33.24 per hr. =\$3,324

FY 2025 - Communications

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

Total = **\$12,731**

**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 the following:

Estimated Mailing Cost:

The Department does not have available statistics to determine a possible annual volume of commercial drivers that may become prohibited in the registry and would require a mailed notice of downgrade action to be taken.

Based on statistics reported by FMCSA in August 2023, there were approximately 3,275 Missouri drivers listed as prohibited in the clearinghouse at time of reporting. Assuming this to be a potential annual volume of notifications the following is the estimated mailing cost increase:

FY 2025

Printing\* (per 1,000)  $\$0.096 \times 4 = \$0.384$

Letter  $\$0.038 \times 3,275 = \$124.45$

Envelope  $\$0.068 \times 3,275 = \$227.70$

First Class Postage\*\*  $\$0.55 \times 3,275 = \$1801.25$

Estimated Annual Mailed Document Cost and Printing = **\$2,153.78**

\* Cost calculated using estimated volume of 4,000 to ensure coverage for the 3,275 potential notices.

\*\*Postage cost may increase based on future USPS postage increases.

FY 2026

For purposes of this fiscal note, it is estimated that the department will incur an initial cost for notification to previously prohibited drivers listed in the clearinghouse at time of implementation in addition to drivers newly reported during FY 2025.

FY 2026 estimate cost for mailed notices = **\$4,307.56**

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

*MVDL Integrated System - "FUSION"*

**DOR** notes, due to the federal program compliance mandate, the noted work hours and associated cost estimate associated with this proposed law have been incorporated as part of the initial contract cost and implementation requirements of the new MVDL integrated product and would not be incurred as an additional cost to the state. Below are the estimated vendor hours to complete tasks.

Total = 500 task hours

- Requirements meetings and refining core configuration: 150 hours
- Testing: 200 hours
- Cutover activities: 150 hours

*General Counsel's Office Administrative Impact*

GCO Anticipates:

If the increase is more significant than anticipated or additional laws are passed that impact the General Counsel's Office (GCO), additional FTE or Attorneys may be requested through the appropriations process. It is unclear how many individuals will file a petition for review with the Associate or Circuit Court once their application for a Commercial Driver's License (CDL) is denied or their CDL is downgraded.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the 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 **Missouri Department of Transportation** defer to DOR for the potential fiscal impact of this proposal.

Officials from the **Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT – Small Business

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

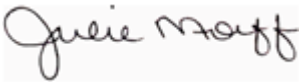
FISCAL DESCRIPTION

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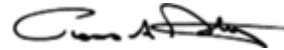
This legislation is federally mandated. However, it would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Missouri Highway Patrol  
Missouri Department of Transportation  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Julie Morff  
Director  
January 22, 2024



Ross Strobe  
Assistant Director  
January 22, 2024