

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1066H.02C
Bill No.: HCS for HB Nos. 296 & 438
Subject: Transportation; Department of Revenue; Licenses - Driver's; Department of
Elementary and Secondary Education
Type: Original
Date: February 16, 2025

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$45,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$45,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§302.177, 302.272 & 302.735 – School Bus Endorsements

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:

- Work with FAST, the MVDL System vendor to develop requirements for changes to the MO driver license system (internally referred to as FUSION) and supporting changes to the integrated MSHP driver examination system to incorporate new renewal terms for school bus endorsed license holders aged seventy to seventy-six and changing the mandatory age for an annual retest for school bus endorsement holder's issuance to those aged 77 and older.
- Modify renewal notice edits and distribution for school bus endorsed.
- Update polices for DOR Third Party test sites to define changes to testing procedures.
- FAST complete changes and user testing for FUSION.
- Update procedures, forms, and the Department website.
- Update internal procedures.
- Update the Missouri Driver Guide (on-line and printed versions).
- Update the Missouri CDL Manual.
- Modify internal training programs and train staff.

FY 2026 - Driver License Bureau

Research/Data Assistant 200 hrs. @ \$19.29 per hr. = \$3,858

Research/Data Analyst 240 hrs. @ \$28.75 per hr. = \$6,900

Administrative Manager 100 hrs. @ \$31.21 per hr. = \$3,121

FY 2026 – Communications Office

Associate Research/Data Analyst 80 hrs. @ \$23.04 per hr. = \$1,843

Total Administrative Costs **\$15,722**

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 cost may be incurred by DOR and MSHP to reprint the non-commercial driver guide and commercial driver license manual and destroy any unused outdated materials. Currently MSHP incurs the cost for printing of the manuals. Potential loss is unknown and will be based on the number of printed manuals in stock at the time of distribution of the new manuals.

FUSION Impact

Vendor estimates approximately 200 hours for development, testing and implementation tasks.

$\$225 \times 200 = \$45,000$

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

Revenue Impact

DOR notes, during FY 2024, there were 855 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.

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.

Potential revenue increase:

$285 \times \$20 \text{ per 3yr document} = \$5,700$

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= \$8,520

15% to Cities = \$1,704

10% to Counties = \$1,136

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 70-74 years of age renewing a commercial license with school bus endorsement.

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 2026	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Cost – DOR – FUSION implementation</u>	<u>(\$45,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$45,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026	FY 2027	FY 2028
	<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.

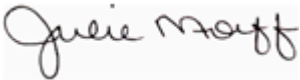
FISCAL DESCRIPTION

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 75 or over.

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 16, 2025



Jessica Harris
Assistant Director
February 16, 2025