

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1588H.01I  
Bill No.: HB 438  
Subject: Transportation; Department of Revenue; Licenses - Driver's  
Type: Original  
Date: January 31, 2025

---

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

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## 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. Under the proposed changes, individuals aged 70-76 would be eligible for a three-year license and applicable renewal fees will be collected.

Potential revenue increase:

FY 2024 annual school bus endorsed commercial license renewals = 284  
 $284 \times 2 = 568$  (total of possible applicants applying for two 3-year renewals between age 70-76)  
 $570 \times \$20.00 = \$11,360$  estimated revenue increase

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 70-76 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
<b>GENERAL REVENUE FUND</b>			
<u>Cost – DOR – FUSION implementation</u>	<u>(\$45,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$45,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026	FY 2027	FY 2028
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

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.

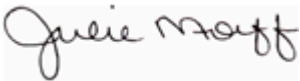
This bill changes the age for these specific provisions to age 77 or over.

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



Julie Morff  
Director  
January 31, 2025



Jessica Harris  
Assistant Director  
January 31, 2025