

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2829H.01I  
Bill No.: HB 1289  
Subject: Department of Revenue; Licenses - Driver's; Licenses - Motor Vehicle; Children and Minors  
Type: Original  
Date: March 30, 2025

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Bill Summary: This proposal modifies provisions relating to Department of Revenue fee offices.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$186,462)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$186,462)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<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

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

#### Administrative Impact – Driver License Bureau

To implement the proposed change, the Department would be required to:

- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, MEDL central applications and supporting systems to remove the fee for a nondriver for homeless child, youth, or an intermediate for emancipated youths.
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system;
- Obtain format and procedure approvals from Secretary of State and others as applicable;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Update forms, manuals, and the Department website;
- Complete training as required.

#### FY 2026 – Driver License Bureau

Research/Data Assistant 360hrs. @ \$19.28 per hr. =\$ 6,940

Research/Data Analyst 400hrs. @ \$28.75 per hr. =\$11,500

Administrative Manager 80 hrs. @ \$31.21 per hr. =\$ 2,496

#### FY 2026 – Strategy & Communication Office

Associate Research/Data Analyst 30 hrs. @ \$23.03 per hr. =\$690

Associate Research/Data Analyst 10 Hrs @ \$26.03 = \$260

#### FY 2026 - Motor Vehicle Bureau

Associate Research/Data Analyst 40 Hrs @ \$26.03 = \$1,041

Lead Admin Assistant 20 Hrs @ \$19.13 = \$383

Research/Data Analyst 10 Hrs @ \$27.87 = \$279

Administrative Manager 5 Hrs @ \$35.10 = \$175

Total Costs = **\$23,764**

**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.

Fusion Impact

**DOR** notes:

Implementation Consultant 500 hrs. @ \$250 per hr. = **\$122,500**

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the FUSION cost as provided by DOR.

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.

Revenue Impact

**DOR** notes during FY 2023 there were a total of 44,141 new non-driver licenses issued. During FY 2024 there were a total of 115,722 new nondriver licenses issued. DOR does not have statistics to determine of this count how many potential annual applicants may be eligible for a fee waiver under the proposed provisions, therefore the total impact to State and Local Revenue is unknown; however, anticipated to be less than 10,000 applicants.

For each fee waiver eligible non-driver license issued pursuant to this proposed language in §302.181 there would be a loss to General Revenue of \$6.00.

During FY 2023 there were a total of 54,028 new intermediate licenses issued. During FY 2024 there were a total of 54,469 new intermediate licenses issued. It is unknown how many potential applicants may be eligible for a fee waiver under the proposed provisions, therefore the total impact to State and Local Revenue is unknown; however, anticipated to be less than 10,000 applicants.

For each fee waiver eligible intermediate driver license issued pursuant to this proposed language in §302.178 there would be a loss of fees distributed to the Highway Fund and Local Funds for cities and counties as follows

Hwy Fund Loss (75%) = \$3.75  
Cities Fund Loss (15%) = \$0.75  
Counties Fund Loss (10%) = \$0.50

For each issued document, DOR would be required to pay fees to the card vendor for printing and postage costs of \$2.5571 per card.

Based on the statistics according to the National Conference of State Legislatures (NCSL), as of January 2019, 6,179 individuals of all ages were homeless in Missouri. Of these, 1,359 were under the age of 18.

DOR assumes there will be a minimal loss of revenue from this proposal. Total estimated loss would be \$16,308. This will not reflect a material loss to the Highways, Cities, and Counties.

There would also be a loss to Highways, Cities and Counties for office processing fees which would have been collected for non-driver or intermediate license transactions issued in State license offices eligible for waiver of fees pursuant to the proposed language in §136.055. An estimated volume of eligible applicants applying in State branch offices is unknown.

Office Processing Fee each New Non-driver License: \$12.00

Office Processing Fee for each Intermediate License: \$6.00

**Oversight** notes, according to the National Conference of State Legislatures (NCSL), as of January 2019, 6,179 individuals of all ages were homeless in Missouri. Of these, 1,359 were under the age of 18. Among the homeless youth and young adults, 477 were unaccompanied by an adult.

If all 1,359 of these homeless youth applied for a non-driver license or intermediate driver license, the loss would amount to approximately \$8,154 (1,359 x \$6). Oversight assumes there will be a minimal loss of revenue from this proposal; therefore, Oversight will not reflect a material loss of revenue to the Highway Fund or local political subdivisions.

Officials from the **Missouri Highway Patrol, Department of Social Services 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 DOR for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Cost – DOR – Fusion implementation consultant</u>	<u>(\$122,500)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$186,462)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

#### FISCAL IMPACT – Small Business

Small contract license offices could be impacted as a result of this proposal.

#### FISCAL DESCRIPTION

The bill exempts homeless children, homeless youth, and unaccompanied youth from certain fees collected by Department of Revenue fee offices.

A minor's status as a homeless child, homeless youth, or unaccompanied youth shall be verified by a letter signed by a director or designee of a governmental or nonprofit agency providing services to homeless persons, by a local education agency liaison as described under federal law, by a school social worker or counselor, or by an attorney who is representing the minor in a legal matter.

This bill adds a homeless child or homeless youth to the definition of "emancipated minor" for purposes of proving the supervised driving experience required to obtain an intermediate driver's license, and exempts emancipated minors from intermediate driver's license fees.

The bill specifies that no fee will be required or collected from a homeless child, homeless youth, or unaccompanied youth to obtain his or her first nondriver identification card.

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 Social Services

Department of Elementary and Secondary Education

Missouri Department of Transportation



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