

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4958-02
Bill No.: SCS for SBs 1001, 896 & 761
Subject: Licenses - Driver's; Revenue Department; Motor Carriers; Licenses - Motor Vehicles.
Type: Original
Date: February 17, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator** assume the proposal will not fiscally impact the courts.

Officials from the **Department of Insurance** and the **Department of Public Safety - Missouri Highway Patrol** and **Director's Office** each assume the proposal would not fiscally impact their respective agencies.

In response to similar proposals from this year, the **Department of Transportation** assumed the proposals would not fiscally impact their agency.

Officials from the **Department of Revenue (DOR)** state the proposal would have the following administrative impact on their agency;

Section 226.009 (SB 761) - The Missouri Department of Transportation Motor Carrier Services, estimates less than one hundred (100) motor carriers per year would be placed out of service. Accordingly, notification costs to cancel/suspend/revoke the carriers plates as noted below will be absorbed.

ASSUMPTION (continued)

DOR's Motor Vehicle Bureau would need to;

- Create procedures for implementation of this legislation
- Create a Computer Tracking Generator (CTG) letter for notification of actions
- Receive notices of out of service orders issued by the highway commission
- Update the various computer systems with the notices of suspension, revocation, cancellation, of motor vehicle license plates, and / or notices of reinstatement of suspensions, revocations, or cancellations of motor vehicle license plates.

DOR's Information Technology Bureau would require one CIT I and one CIT III for 320 hours each to make the programming changes which would be absorbed.

Section 302.171 (SB 1001) - DOR's Customer Services Division - Driver License Bureau (DLB) would require programming changes to the Missouri Electronic Driver License (MEDL also referred to as Over The Counter -OTC) software. These programming changes will need to be designed and tested. The costs will be absorbed internally.

Officials from the **Department of Health and Senior Services (DOHSS)** assume state revenue will be lost as a result of this proposal because motorists that are 65 years or older would no longer need to purchase birth certificates to prove lawful presence.

For each birth certificate/marriage statement issued, the \$15.00 fee is distributed as follows: Children's Trust Fund - \$5.00; General Revenue - \$4.00; the Endowed Cemetery Care Audit Fund - \$1.00 and the Missouri Public Health Services Fund (MOPHS) - \$5.00.

Based on data from January 2005 to current, there was an average of 610 birth certificates issued per month for birth years 1910 - 1940 (persons 65 years of age or older) by DHSS. Under this proposal, DHSS assumes that due to deaths and no need for a driver's license, only 35% of people born in those years would still need to prove "lawful presence" under current statute. This equates to approximately 214 birth certificates per month which would not be issued under the proposed legislation, or revenue of approximately \$3,210 per month (214 certificates/month x \$15), for an annual loss beginning in FY 07 and thereafter, of \$38,520.

Birth Certificates	Calculation	FY 2007	FY 2008	FY 2009
General Revenue	214 x \$4.00	(\$10,272)	(\$10,272)	(\$10,272)
Children's Trust	214 x \$5.00	(\$12,840)	(\$12,840)	(\$12,840)
Endowed Cemetery	214 x \$1.00	(\$2,568)	(\$2,568)	(\$2,568)
MOPHS	214 x \$5.00	(\$12,840)	(\$12,840)	(\$12,840)
TOTAL		(\$38,520)	(\$38,520)	(\$38,520)

ASSUMPTION (continued)

Under current legislation, women need to show how their name had changed over time, thus, the need for certified statements of marriage. Persons born prior to 1941 typically would be married between the ages of 18 and 28; however, marriage data is only available beginning in 1948. Based on data from January 2005 to current, there was an average of 178 certified statements of marriage issued monthly for each the years from 1948 to 1969. DHSS assumes that approximately 10% of the 178 monthly statements being issued are to married women trying to show how their name changed over time for the purpose of proving lawful presence. Loss of the revenue from these certified statements of marriage would be an additional monthly loss of \$270.00 (18 certificates/month x \$15 per certificate), for an annual loss beginning in FY 07, due to an emergency clause, and thereafter, of \$3,240.

Marriage Certificates	Calculation	FY 2007	FY 2008	FY 2009
General Revenue	18 x \$4.00	(\$864)	(\$864)	(\$864)
Children's Trust	18 x \$5.00	(\$1,080)	(\$1,080)	(\$1,080)
Endowed Cemetery	18 x \$1.00	(\$216)	(\$216)	(\$216)
MOPHS	18 x \$5.00	(\$1,080)	(\$1,080)	(\$1,080)
TOTAL		(\$3,240)	(\$3,240)	(\$3,240)

Therefore, DOHSS assumes an annual loss to the four state funds in the amounts of;

	General Revenue	Children's Trust Fund	Endowed Cemetery	MOPHS
Birth Certificates	(\$10,272)	(\$12,840)	(\$2,568)	(\$12,840)
Marriage Statements	(\$864)	(\$1,080)	(\$216)	(\$1,080)
Fund Total	(\$11,136)	(\$13,920)	(\$2,784)	(\$13,920)

DOHSS also states that Local Public Health Agencies (LPHAs) would lose \$15.00 per certificate. Based on data from January 2005 to current, Local Public Health Agencies, collectively, issued an average of 4,924 birth certificates monthly, for birth years 1920 - 1940, which includes persons 65 years of age or older (LPHA's have the ability to issue birth certificates only back to 1920). We assumed that due to deaths and no need for a driver's license, only 35% of people born in those years would still need to prove "lawful presence" under current legislation. Thus, approximately 1,723 birth certificates per month would not be issued, or revenue of approximately \$25,845, per month would be lost, with an annual loss for FY07, FY08 and FY09 of \$310,140. FY 07 costs are for 12 months since this bill has an emergency clause.

ASSUMPTION (continued)

Oversight assumes this proposal will allow persons 65 and older to renew their drivers license without having a valid birth certificate and possibly a marriage certificate(s). Oversight assumes this additional revenue has not been collected by the state or by Local Public Health Agencies for this specific purpose in the past. SB 1233 in 2004 added the requirement, beginning July 1, 2005, that the applicant for a driver's license be "lawfully present in the United States". Therefore, Oversight will assume that the birth certificate and marriage license revenue that the state and locals will generate from this added requirement was not collected previously, and therefore, the elimination of this requirement (from persons 65 years and older) will not reduce revenue that had been collected in the past. For the fiscal note, Oversight will assume this proposal will not reduce revenues that had previously been collected. Therefore, Oversight will assume no fiscal impact from the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal relates to the licensure of certain motor vehicle drivers.

LAWFUL PRESENCE - This act exempts persons 65 years of age older who have been previously been issued a noncommercial driver's license, permit or nondriver's license from providing proof of lawful presence when they renew such license. This portion of the act contains an emergency clause (302.171).

REVOCAION OF MOTOR CARRIER REGISTRATIONS - This act allows the state Highway Commission to suspend, revoke or cancel the registration, license, permit or other credential issued to a motor carrier if a federal agency or the commission has issued an out-of-service order against the motor carrier. The law is applicable to out-of-service orders placing a motor carrier's entire operation out of service but does not apply to out-of-service orders placing an individual driver or vehicle out of service. If the commission issues an order under this act, the motor carrier shall not operate any commercial motor vehicles and shall not allow any employees to operate any commercial motor vehicles in intrastate or interstate commerce. After the commission has issued an order, the motor carrier shall surrender all license plates, motor carrier licenses, registrations, permits, and other credentials. After the commission has issued an order, the out-of-state motor carrier shall not be eligible to apply for the issuance or reinstatement of any license, registration, permit, certificate or other credential until the out-of-service order has been rescinded or the orders have been set aside by a court of proper jurisdiction. The act establishes provides that any federal or state order shall be admissible in administrative and court proceedings and that such orders shall constitute prima facie evidence that the motor carrier violated federal regulations or that the motor carrier's operation of commercial motor vehicles poses an imminent hazard (Section 226.009). This section is contained in SB 761 (2006).

GRADUATED DRIVER'S LICENSE LAW - This act modifies Missouri's graduated driver's license law with respect to the number of hours of instruction and passenger restrictions (Sections 302.130 & 302.178).

HOURS OF BEHIND-THE-WHEEL INSTRUCTION - This act increases the number of hours of behind-the-wheel driving instruction that one must complete in order to obtain a temporary instruction permit. The current law requires 20 hours of instruction while the act proposes 40 hours of instruction, including a minimum of 10 hours of nighttime instruction. This requirement is effective January 1, 2007.

PASSENGER RESTRICTIONS - The act places passenger restrictions on individuals who possess an intermediate driver's license. For the first six months after issuance of the intermediate driver's license, the holder of the license shall not operate a motor vehicle with more than one

DESCRIPTION (continued)

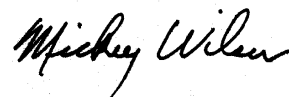
passenger who is under the age of 19 who is not a member of the holder's immediate family. After the expiration of the first 6 months, the holder of an intermediate driver's license shall not operate a motor vehicle with more than three passengers who are under 19 years of age and who are not members of the holder's immediate family.

The act provides that any person who violates the provisions of the intermediate driver's license law or the temporary permit law shall be guilty of an infraction and no points shall be assessed to their driving record for any such violation.

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
Department of Health and Senior Services
Department of Transportation
Department of Public Safety
Office of the State Courts Administrator
Department of Insurance



Mickey Wilson, CPA
Director
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