

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4948-07  
Bill No.: SCS for HCS for HB 1402  
Subject: Motor Carriers; Transportation; Transportation Department; Roads and Highways;  
 Motor Vehicles; Licenses - Motor Vehicle; Revenue Department  
Type: Original  
Date: May 2, 2012

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Bill Summary: This proposal modifies provisions relation to transportation.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<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.  
 This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol, Department of Insurance, Financial Institutions and Professional Registration, Office of the State Courts Administrator and Department of Labor and Industrial Relations** and each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Prosecution Services and Office of the State Public Defender** did not respond to our request for fiscal impact.

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

In response to a previous version of this proposal, officials from the **Department of Transportation** assumed the proposal would have no fiscal impact on their organization.

Officials from the **Office of the Secretary of State (SOS)** assume 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 Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

### Section 302.341

Officials from the **Department of Revenue** state this legislation proposes change to meet federal commercial driver license requirements related to failure to appear in court actions. The proposed change indicates these actions cannot be removed from the record upon reinstatement if the applicant was operating a commercial motor vehicle at the time of the offense or is a commercial driver license holder.

ASSUMPTION (continued)

This change will require the Department to modify the Missouri Driver License system and supporting applications related to failure to appear actions; and complete end user testing of all changes.

**FY13**

Administrative Analyst - 80 hrs @ \$16 per hr = \$1,280  
Management Analyst Specialist II - 80 hrs @ \$23 per hr = \$1,840

**Total=\$3,120**

Officials from the **Department of Revenue - Information Technology** state in previous fiscal notes the Department estimated the IT costs at 80 hours however, a further cost analysis by the Department has determined the IT cost to be at 40 hours. There will be IT programming (DL) costs for 40 hours of work @ \$26.50 = \$1,060.

In summary, DOR assumes a cost of \$4,180 (\$3,120 + 1,060) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

**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.

Section 302.700

Officials from the **Department of Revenue** state this legislation proposes new definitions and modifications to current definitions related to commercial driver license requirements to comply with Federal Motor Carrier Safety regulations and support the implementation of the federal rule labeled "Medical Certification Requirements as part of the Commercial Driver License (CDL)".

The Department assumes the costs associated with development and implementation of the proposed medical certification program will be absorbed as part of a system upgrade project and through federal funds.

ASSUMPTION (continued)

Section 302.768

Officials from the **Department of Revenue** state this legislation proposes a new section to support the implementation of Federal Motor Carrier Safety Regulation changes defined in a finalized federal rule affecting 49 CFR Parts 383, 384, 390 and 391 labeled "Medical Certification Requirements as part of the CDL". This section requires commercial driver license applicants to complete certain self certifications and submit required medical certification documents when applicable. The state must capture and store data related to drivers who are required to submit proof of medical certification. These certifications must be updated at least every two years based on federal requirements. The state must store and pass this data to law enforcement, commercial motor vehicle enforcement and other states.

To implement these federal requirements and ensure we maintain compliance with federal commercial driver license regulations the Department must:

- Develop requirements, design and user testing documentation;
- Modify the Missouri Electronic Driver License system and supporting applications to capture and store required driver certifications and medical qualification data as part of commercial driver license transactions and a separate certification update transaction;
- Complete end user testing of all changes;
- Modify the Missouri Commercial Driver License Manual, online and printed version, to include all applicable requirements related to medical certification;
- Modify the Uniform License Issuance Manual and other procedures related to commercial driver license processing;
- Develop a central office process for additional research and correspondence related to medical certification;
- Develop a medical certification renewal process;
- Develop notices related to commercial driver license renewals and downgrades related to medical certification compliance; and
- Develop training programs for internal and external customers related to the new medical certification requirements.

The Department assumes the costs associated with development and implementation of the proposed medical certification program will be absorbed as part of a pending system upgrade project. The Department will continue to seek federal funds to notify Commercial Drivers of the new requirements, however if federal funding is not provided the Department will require the following state funds in order to notify the 300,000 drivers:

ASSUMPTION (continued)

**FY14**

- o Printing Cost (per 1,000) 300 @ .076 = \$22.80
- o Letters 300,000 @ .025 = \$7,500.00
- o Envelopes 300,000 @ .04 = \$12,000.00
- o Postage 300,000 @ .45 = \$135,000.00

**Total = \$154,522.80**

In response to a similar proposal from this year, SB 443, DOR stated they have been approved for a federal grant to implement the new federal requirements; however, DOR stated they cannot use the grant monies for notification. Therefore, **Oversight** assumes that DOR is not required by this proposal to notify a licensee of this new federal licensing requirement. The notification upon license renewal could be an option.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

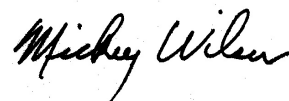
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Department of Transportation  
Department of Labor and Industrial Relations  
Department of Public Safety  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of the State Courts Administrator  
Department of Insurance, Financial Institutions and Professional Registration

NOT RESPONDING

Office of Prosecution Services  
Office of the State Public Defender



Mickey Wilson, CPA  
Director  
May 2, 2012