

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4489-01
Bill No.: HB 1719
Subject: Professional Registration and Licensing
Type: Original
Date: January 30, 2018

Bill Summary: This proposal specifies that an oversight body shall not deny a person eighteen years of age or older a license on the basis of age.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| Highway Fund | \$4,800 | \$5,760 | \$5,760 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$4,800 | \$5,760 | \$5,760 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2019 | FY 2020 | FY 2021 |
| Local Government | \$1,200 | \$1,440 | \$1,440 |

FISCAL ANALYSIS

ASSUMPTION

§302.272.2(2)

Officials from the **Department of Revenue (DOR)** assumes this section of the proposal removes the requirement that an applicant must be at least twenty-one years of age to operate any school bus.

§302.705.2

DOR assumes this section of the proposal removes the language that any person transporting a hazardous material must be at least twenty-one years of age.

Administrative Impact

To implement the proposed changes, the Department will be required to:

- Complete business requirements;
- Complete programming and user acceptance testing;
- Complete testing with factory print facility for the endorsement modifications;
- Update procedures, commercial driver license manual, driver guide, and the Department website;
- Update the driver license brochure that has samples of all current Missouri driver license, nondriver license and permit documents; and
- Modify current rule 12 CSR 10-24.200 Driver License Classes to update the eligible age for school bus and hazardous material endorsement holders.

FY 2019 - Driver License Bureau

| | | |
|---------------------------|----------------------------|-------------------|
| Administrative Analyst II | 240 hrs. @ \$17.13 per hr. | = \$ 4,111 |
| Management Analysis II | 280 hrs. @ \$20.57 per hr. | = \$ 5,760 |
| Revenue Manager Band I | 120 hrs. @ \$25.05 per hr. | = \$ 3,006 |
| Total | | = \$12,877 |

ASSUMPTION (continued)

FY 2019 - Personnel Services Bureau

| | | |
|----------------------------|---------------------------|-------------------------|
| Administrative Analyst III | 40 hrs. @ \$19.43 per hr. | = \$ 777 |
| Management Analysis Spec I | 80 hrs. @ \$18.42 per hr. | = \$1,474 |
| Total | | <u>= \$2,251</u> |

Total Costs **\$15,128**

OA-ITSD Impact

DOR assumes OA-ITSD will require 35.64 hours at a rate of \$75 an hour for a total cost of \$2,673 for IT Consultants.

DOR assumes a total cost of \$17,801 (\$15,128 + \$2,673) to implement these changes.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb some of the costs related to this proposal; therefore, Oversight assumes the remaining costs incurred by DOR would not be material and have not reflected them in the fiscal note.

Revenue Impact

§302.271.2

DOR assumes based on the proposed lowering of the endorsement eligibility age, DOR estimates that sixty-eight (68) potential applicants may apply for a commercial learner's permit (CLP) and commercial driver license (CDL) to add the school bus endorsement by persons eighteen (18) to twenty (20) years of age.

Revenue Distribution (increased fees - 75% Highway, 15% Cities, and 10% Counties)

| | |
|---|----------------------------------|
| 68 x \$5.00 (permit fee) | = \$340 New CLP transaction fees |
| 68 x \$25.00 (written test fee) | = \$1,700 MSHP written test fees |
| 68 x \$5.00 (increased fee portion of \$20 CDL 3 yr. fee) | = \$340 CDL transaction fees |
| 68 x \$25.00 (CDL skills test fee) | = \$1,700 MSHP skills test fee |
| Total Estimated Revenue from Increased Fee Portion | = \$4,080 |

Revenue Distribution to Highway Fund

68 x \$15.00 (Highway Fund portion of \$20 CDL 3 yr. fee) = \$1,020 CDL fees

ASSUMPTION (continued)

Total Estimated distribution of fees:

FY 2019 (10 months)

$\$4,080 \times 75\% = \$3,060$ (portion of increased fees) + $\$1,020$ from Highway Fund portion of fee = $\$4,080 / 12$ (months per year) = $\$340 \times 10$ months (months for FY 2019) = $\$3,400$ to the Highway Fund

$\$4,080 \times 15\% = \$612 / 12$ (months per year) = $\$51 \times 10$ months (months for FY 2019) = $\$510$ to Cities

$\$4,080 \times 10\% = \$408 / 12$ (months per year) = $\$34 \times 10$ months (months for FY 2019) = $\$340$ to Counties

FY 2020, 2021 and subsequent fiscal years

$\$4,080 \times 75\% = \$3,060$ (portion of increased fees) + $\$1,020$ from Highway Fund portion of fee = $\$4,080$ to Highway Fund

$\$4,080 \times 15\% = \612 to Cities

$\$4,080 \times 10\% = \408 to Counties

§302.705.2

DOR assumes based on the proposed lowering of the endorsement eligibility age, the Department estimates that twenty-eight (28) potential applicants may apply for a commercial learner's permit (CLP) and commercial driver license (CDL) to add the hazardous materials endorsement by persons eighteen (18) to twenty (20) years of age.

28 x $\$5.00$ (permit fee) = $\$140$ New CLP transaction fees

28 x $\$25.00$ (written test fee) = $\$700$ MSHP written test fees

28 x $\$5.00$ (increased fee portion of $\$20$ CDL 3 yr. fee) = $\$140$ CDL transaction fees

28 x $\$25.00$ (CDL skills test fee) = $\$700$ MSHP skills test fee

Total Estimated Revenue from Increased Fee Portion = $\$1,680$

Revenue Distribution to Highway Fund

28 x $\$15.00$ (Highway Fund portion of $\$20$ CDL 3 yr. fee) = $\$420$ CDL fees

ASSUMPTION (continued)

Total Estimated distribution of fees:

FY 2019 (10 months)

$\$1,680 \times 75\% = \$1,260$ (portion of increased fees) + \$420 from Highway Fund portion of fee =
 $\$1,680 / 12$ (months per year) = \$140 x 10 months (months for FY 2019) = \$1,400 to Highway Fund

$\$1,680 \times 15\% = \$252 / 12$ (months per year) = \$21 x 10 months (months for FY 2019) = \$210 to Cities

$\$1,680 \times 10\% = \$168 / 12$ (months per year) = \$14 x 10 months (months for FY 2019) = \$140 to Counties

FY 2020, 2021 and subsequent fiscal years

$\$1,680 \times 75\% = \$1,260$ (portion of increased fees) + \$420 from Highway Fund portion of fee = \$1,680 to Highway Fund

$\$1,680 \times 15\% = \252 to Cities

$\$1,680 \times 10\% = \168 to Counties

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Public Safety - Division of Fire Safety**, the **Department of Mental Health**, the **Department of Health and Senior Services** the **Department of Social Services**, the **Department of Natural Resources** and the **Department of Agriculture** each assume the proposal will have no fiscal impact on their respective organizations.

| <u>FISCAL IMPACT - State Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|---|-----------------------|-----------------------|-----------------------|
| HIGHWAY FUND | | | |
| <u>Revenue - DOR</u> | | | |
| CDL License and Test Fees §302.271 | \$3,400 | \$4,080 | \$4,080 |
| CDL License and Test Fees §302.705 | <u>\$1,400</u> | <u>\$1,680</u> | <u>\$1,680</u> |
| <u>Total Revenue - DOR</u> | <u>\$4,800</u> | <u>\$5,760</u> | <u>\$5,760</u> |
| ESTIMATED NET EFFECT ON THE HIGHWAY FUND | <u>\$4,800</u> | <u>\$5,760</u> | <u>\$5,760</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2019 (10 Mo.) | FY 2020 | FY 2021 |
|---|-----------------------|-----------------------|-----------------------|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Revenue - Cities and Counties</u> | | | |
| CDL License and Test Fees §302.271- Cities | \$510 | \$612 | \$612 |
| CDL License and Test Fees §302.705 - Cities | \$210 | \$252 | \$252 |
| CDL License and Test Fees §302.271- Counties | \$340 | \$408 | \$408 |
| CDL License and Test Fees §302.705 - Counties | <u>\$140</u> | <u>\$168</u> | <u>\$168</u> |
| ESTIMATED NET EFFECT ON THE LOCAL POLITICAL SUBDIVISIONS | <u>\$1,200</u> | <u>\$1,440</u> | <u>\$1,440</u> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill prohibits any state board, department, or agency that issues professional licenses from denying a license based on age, to any person 18 years old or older. An exception can be made for licenses associated with gaming.

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 Public Safety
 Division of Fire Safety
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Department of Agriculture
Department of Natural Resources

Ross Strobe



Acting Director
January 30, 2018