

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5772-01  
Bill No.: SB 919  
Subject: Licenses - Driver's; Motor Carriers; Motor Vehicles; Military Affairs; Department of Revenue; Transportation; Veterans  
Type: Original  
Date: February 7, 2018

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Bill Summary: This proposal modifies provisions relating to licensure to operate certain motor vehicles.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
General Revenue	(\$15,957)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$15,957)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Highway Fund	(\$22,167)	(\$26,600)	(\$26,600)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$22,167)</b>	<b>(\$26,600)</b>	<b>(\$26,600)</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>(Minimal)</b>	<b>(Minimal)</b>	<b>(Minimal)</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

#### §302.170.3(5)

Allows the Department to retain documents submitted by a commercial driver's license (CDL) applicant who is active duty or retired military if the documents allow for waiver of the commercial driver's license knowledge test, skills test, or both.

#### §302.173.4

Allows individuals who have completed an approved Missouri Motorcycle Rider Training Course (MRTC) to obtain a motorcycle or motortricycle license or endorsement without the requirement of the practical knowledge or driving test for one year from the date of course completion.

#### §302.173.5

Allows individuals who have completed an approved military motorcycle rider training course to obtain a motorcycle or motortricycle license or endorsement without the requirement of the practical knowledge or driving test for one year from the date of course completion.

#### §302.720.2(5)

Allows the Department to waive the knowledge and driving skills tests for any qualified military applicant for a commercial driver's license who is currently licensed at the time of application for a commercial driver's license.

#### §302.720.2(5)(f)

Extends the timeframe from ninety days to one year for the applicant to comply with the provisions of eligibility that requires the individual to certify that they have been employed in a qualifying military position.

#### §302.720.2(5)(j)

Allows an exception to allow waiver of the commercial driver license knowledge and skills test, upon submission and retention of proof of completion of an approved military course.

### Administrative Impact

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

ASSUMPTION (continued)

Administrative Impact (continued)

- Update the Uniform License Issuance Manual;
- Update the Missouri Driver Guide;
- Update the Commercial Driver License Manual;
- Update the Motorcycle Operator Guide;
- Update the Military Skills Test Waiver Application (DOR-5140);
- Update procedures and the Department website;
- Update the Missouri Electronic Driver License system to allow imaging of documents;  
and
- Train staff.

FY 2019 - Driver License Bureau

Administrative Analyst II	160 hrs. @ \$17.13 per hr.	= \$ 2,741
Management Analysis Spec II	160 hrs. @ \$20.57 per hr.	= \$ 3,291
Revenue Manager Band I	10 hrs. @ \$25.05 per hr.	= \$ 251
Total		= \$ 6,283

FY 2019 - Personnel Services Bureau

Administrative Analyst III	15 hrs. @ \$19.43 per hr.	= \$ 291
Management Analysis Spec I	15 hrs. @ \$18.42 per hr.	= \$ 276
Total		= \$ 567

**Total Costs** **\$ 6,850**

OA-ITSD services will be required at a cost of **\$15,957** (212.76 hours x \$75 per hour) in FY 2019.

In summary, DOR assumes a cost of **\$22,807** (\$6,850 + \$15,957) in FY 2019.

**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 will reflect a fiscal impact of \$15,957 for IT services in FY 2019.

ASSUMPTION (continued)

Revenue Impact

**DOR** notes there are approximately 1,120 military waiver applicants annually. The knowledge test fee is \$25. This proposal waives that fee, which will result in a loss of approximately \$28,000 per year. The loss of \$28,000 is distributed to the Highway Fund, Cities and Counties.

**Oversight** notes this will have a minimal impact on cities and counties as the revenue loss is not substantial.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DOR - IT services</u>	<u>(\$15,957)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$15,957)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>HIGHWAY FUND</b>			
<u>Loss - decreased revenue from waiving the CDL knowledge test for military members</u>	<u>(\$22,167)</u>	<u>(\$26,600)</u>	<u>(\$26,600)</u>
<b>ESTIMATED NET EFFECT ON THE HIGHWAY FUND</b>	<b><u>(\$22,167)</u></b>	<b><u>(\$26,600)</u></b>	<b><u>(\$26,600)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss</u> - Cities (15%) decreased revenue from waiving the CDL knowledge test for military members	(Minimal)	(Minimal)	(Minimal)
<u>Loss</u> - Counties (10%) decreased revenue from waiving the CDL knowledge test for military members	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Minimal)</u></b>	<b><u>(Minimal)</u></b>	<b><u>(Minimal)</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act specifies that the Department of Revenue may retain documents submitted by a commercial driver's license applicant who is active duty or retired military if the documents allow for waiver of the commercial driver's license knowledge test, skills test, or both.

Currently, completion of a civilian or military motorcycle rider training course qualifies a license applicant for a waiver of the driving test requirement. This act expands the waiver to include the practical knowledge test, and specifies that course completion shall be accepted for purposes of motorcycle license or endorsement issuance for one year from the date of course completion.

The Director of Revenue currently has the authority to waive the driving skills test for a commercial driver's license for qualified military applicants. This act allows the Director of Revenue to also waive the knowledge test. The act lengthens, from 90 days to one year, how recently an applicant must have been employed in a qualifying military position in order to be eligible for the waivers.

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

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SOURCES OF INFORMATION

Department of Revenue

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director  
February 7, 2018