

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5772-01
Bill No.: Perfected SB 919
Subject: Licenses - Driver's; Motor Carriers; Motor Vehicles; Military Affairs; Department of Revenue; Transportation; Veterans
Type: Original
Date: March 29, 2018

Bill Summary: This proposal modifies provisions relating to licensure to operate certain motor vehicles and modifies provisions relating to driver's licenses for persons who are deaf or hard of hearing.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$54,811)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$54,811)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Highway Fund	(Minimal)	(Minimal)	(Minimal)
Total Estimated Net Effect on Other State Funds	(Minimal)	(Minimal)	(Minimal)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 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	(Minimal)	(Minimal)	(Minimal)

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.

Revenue Impact

DOR notes there are approximately 148 military waiver applicants annually. The knowledge test fee is \$25.

ASSUMPTION (continued)

Revenue Impact (continued)

This proposal waives that fee, which will result in a loss of approximately \$3,700 per year. The loss of \$3,700 is distributed to the Highway Fund, Cities and Counties.

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

Senate Amendment 1

Oversight notes this amendment adds Section 302.174 which is similar to HCS for HB 1572 from 2018.

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

§302.174

- Replaces the phrase and definition of "hearing-impaired" with the phrase and definition for "hard of hearing person".
- Changes the notation on a driver license from "J88" to "DHH".
- Allows the Department to use the phrase "deaf or hard of hearing" in lieu of the notation "DHH" on a driver's license.

Administrative Impact

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

- Complete business requirements;
- Complete programming and user acceptance testing of the current driver license issuance system to modify the current notation;
- Submit request to the license vendor for modification to the current design and printing process for driver license, nondriver license, and permit documents to update the driver license notation to "DHH";
- Complete testing with factory print facility for the updated notation for card printing;
- Update procedures, driver guide, driver license brochure, forms, and the Department website;
- Develop a sign for the license office staff to display for the QR code; and
- Update the current rule 12 CSR 10-24.470 Procedure for Obtaining a "J88" Notation on a Driver License for Deafness or Hard of hearing to update the notation to "DHH".

ASSUMPTION (continued)

Administrative Impact (continued)

FY 2019 - Driver License Bureau

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

FY 2019 - Personnel Services Bureau

Administrative Analyst III	30 hrs. @ \$19.43 per hr.	= \$583
Management Analysis Spec I	40 hrs. @ \$18.42 per hr.	= \$737
Total		= \$1,320

Total Costs **\$14,197**

Vendor Costs

Estimated license vendor cost to modify card design and to update the driver license notation is **\$28,000**.

OA-ITSD services will be required at a cost of **\$10,854** (144.72 hours x \$75 per hour) in FY 2019.

In summary, DOR assumes a total cost of **\$53,051** (\$14,197 + \$28,000 + \$10,854) 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 **\$38,854** for IT services and vendor costs in FY 2019.

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

Bill as a Whole (as amended)

Officials from the **Department of Transportation** and **Department of Public Safety - Missouri Highway Patrol** 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
GENERAL REVENUE FUND			
<u>Cost</u> - DOR - IT services (§302.720)	(\$15,957)	\$0	\$0
<u>Cost</u> - DOR - Vendor Cost (§302.174)	(\$28,000)	\$0	\$0
<u>Cost</u> - DOR - IT Services (§302.174)	<u>(\$10,854)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$54,811)</u>	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND			
<u>Loss</u> - decreased revenue from waiving the CDL knowledge test for military members (§302.720)	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> - Cities (15%) decreased revenue from waiving the CDL knowledge test for military members (§302.720)	(Minimal)	(Minimal)	(Minimal)
<u>Loss</u> - Counties (10%) decreased revenue from waiving the CDL knowledge test for military members (§302.720)	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>

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 also includes individuals with hearing loss that impairs the capacity to discriminate ordinary speech in the class of persons eligible for a deaf or hard of hearing notation on their driver's license. The Missouri Commission for the Deaf and Hard of Hearing will make a video explaining the "DHH" notation and the right to receive it and the video will be posted in each driver's license office. The video is conducted in sign language and captioned in English.

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

L.R. No. 5772-01
Bill No. Perfected SB 919
Page 9 of 9
March 29, 2018

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Department of Public Safety - Missouri Highway Patrol
Department of Elementary and Secondary Education

Ross Strope

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

Acting Director
March 29, 2018