

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0616-02
Bill No.: HCS for HB 210
Subject: Licenses - Driver's; Department of Revenue
Type: Original
Date: February 27, 2017

Bill Summary: This proposal allows for an extension of time to renew driver's licenses for persons employed or engaged in business outside the United States and for college students attending school outside the state of Missouri.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	Up to (\$33,210)	\$0	\$0
Total Estimated Net Effect on General Revenue	Up to (\$33,210)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

§302.186.2

The proposed language allows for an extension of time to renew driver licenses for persons employed or engaged in business outside of the United States without an examination prior to the end of six months following the person's return or 90 days after reestablishing residence within the State. The provisions of this section also allow for renewal by mail for individuals engaged in business outside the United States or any dependent thereof age twenty-one or older residing outside the United States.

§302.186.3

The proposed language allows for an extension of time to renew driver licenses for Missouri residents who are enrolled in an institution of higher education without examination prior to the end of six months following the person's graduation or 90 days after reestablishing residence within the State. The provisions of this section also allow for renewal by mail for individuals enrolled in an institution of higher education.

§302.186.4

The proposed subsection allows the Department to promulgate rules necessary to implement the provisions of this section.

§302.186.5

The proposed subsection creates an effective date of December 4, 2017 for the section as amended. Because the bill repeals and reenacts this statute, the portions of the statute currently in law would become ineffective from August 28, 2017 through December 3, 2017. This would cause approximately a three month period where the statute as presently written would be rendered inoperative.

The proposed changes in §§302.186.2 and 302.186.3 will require the Department to:

- Complete business decision documents;
- Complete business and system requirements documents to modify license issuance system edits for persons who have expired more than six months;
- Complete testing of applicable system changes;

ASSUMPTION (continued)

- Modify renewal by mail procedures to allow for renewal by mail processing for individuals pursuant to the proposed changes;
- Define procedures for documents required to be submitted with application to determine eligibility for renewal without examination to prove employment or reestablishment of residency and documents for renewal by mail for individuals engaged in business outside of the United States or their dependents twenty-one years of age or older and individuals enrolled in institution of higher education outside of the state;
- Develop new mail-in application form;
- Update website information related to new provisions;
- Update office procedure manuals; and
- Draft administrative rule if necessary to further define procedures.

Administrative Impact

FY2018 Driver License Bureau (DLB)

Administrative Analyst II - 280 hrs. @ \$19.43 per hr. =	\$5,440
Management Analyst Specialist II - 320 hrs. @ \$23.61 per hr. =	\$7,555
Revenue Band Manager II - 60 hrs. @ \$30.59 per hr. =	<u>\$1,835</u>
	\$14,830

FY2018 - Personnel Services Bureau

Update Web Page Information- Administrative Analyst III	80 hrs. @ \$22.59 = \$1,807
Develop Form - Management Analysis Spec I	80 hrs. @ \$20.94 = \$1,675
Develop Procedures - Management Analysis Spec I	80 hrs. @ \$20.94 = <u>\$1,675</u>
	Total = \$5,157

OA-ITSD services will be required at a cost of \$33,210 in FY 2018.

In summary, DOR assumes a cost of \$53,197 (\$14,830 + \$5,157 + \$33,210) in FY 2018.

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 up to \$33,210 for IT services in FY 2018.

Officials from the **Office of the Secretary of State (SOS)** affirm 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 SOS for Administrative Rules is less than \$2,500.

ASSUMPTION (continued)

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget.

Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Cost - DOR - Administrative costs to implement</u>	<u>Up to (\$33,210)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>Up to (\$33,210)</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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.

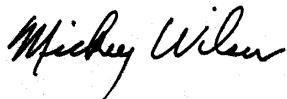
FISCAL DESCRIPTION

This proposal allows persons engaged in business outside the United States or students at institutions of higher education outside Missouri to renew licenses within six months of returning to the country or to Missouri or within 90 days of reestablishing citizenship in Missouri whichever is sooner. Students may renew licenses by mail during these periods as well.

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
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Public Safety - Missouri Highway Patrol



Mickey Wilson, CPA
Director
February 27, 2017

Ross Strobe
Assistant Director
February 27, 2017