

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0660-03  
Bill No.: HCS for HB 220  
Subject: Licenses - Driver's; Department of Revenue  
Type: Original  
Date: February 28, 2017

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Bill Summary: This proposal establishes the "Expanded Address Confidentiality Program."

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$465,688)	(\$496,634)	(\$503,394)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$465,688)</b>	<b>(\$496,634)</b>	<b>(\$503,394)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 10 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
General Revenue	6 FTE	6 FTE	6 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>6 FTE</b>	<b>6 FTE</b>	<b>6 FTE</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to a similar version of this House Committee Substitute, officials from the **Office of the Secretary of State (SOS)** stated this proposal would create a new program, if housed under the SOS that would require additional staffing and support. This program could be modeled off of an existing address confidentiality program currently housed under the Secretary of State Business Services Division. This program's current expenses were used to estimate this new program.

This would not be an expansion of the current program because the population served is very different and the goals and missions are different.

The similar program in place in the SOS office currently is serving approximately 750 households. Current program costs average about \$200 per year per participant (\$135 for Personal Services and \$65 for Equipment & Expense).

ASSUMPTION (continued)

The fiscal impact was based on the following assumptions:

Participant Classification	Estimated Number of Active Members	Estimated Number of Retired Members	%	Estimated Participants
Federal Parole Officer	8,200	2,050	5%	513
Federal Pretrial Officer				0
Peace Officer	14,775	3,000	5%	889
Federal Law Enforcement Officer	728	182	2%	18
State Judges	415	80	15%	74
Federal Judges	145	20	2%	3
Witness or Jury Members	91,674		1%	917
Total	125,735		4%	2,414

	Witness	Jury
Associate Felony Cases	9,036	
Circuit Felony Cases-By Jury	1,098	7,686
Circuit Felony Cases-By Bench Trial	362	
Circuit Felony Cases-Without Trial	69,332	4,160
Total	79,828	11,846

Staff needs for the program would be 1 supervisory FTE (at \$54,000 annually) and 5 program specialist FTEs (each at \$31,000 annually), based on the current ratio of 1 staff member to approximately 375 participants.

ASSUMPTION (continued)

Additionally, to handle the volume of mail, there would be a need to purchase 1 mailing machine in FY 2018, as well as ongoing E&E expenses. Currently, administration of the Safe at Home program costs approximately \$65 per participant in E&E. A similar program covering 2,414 households would cost \$130,758 in FY 2018, \$160,833 in FY 2019 and \$164,854 in FY 2020.

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

Driver License Response (DLB)

§589.900

The proposed language defines terms as used in the proposed §§589-900 to 589-916.

§589.902

The proposed language creates a program to be known as the "Expanded Address Confidentiality Program" which shall be administered by the Secretary of State. This proposed language includes a list of eligible persons.

An individual eligible under §589.902, may apply to the Secretary to have a designated address to serve as the person's address or the address of the minor or incapacitated person.

This section further defines the requirements for a completed application, including preparation date, applicant's signature, designation of the Secretary as agent for purposes of serve of process and for receipt of first-class mail, legal documents and certified mail; the mailing address where the applicant may be contacted by the Secretary and one or more addresses that the applicants requests not be disclosed.

Upon receipt of a completed application, the Secretary shall certify the applicant as a program participant. The program participant is certified for four years following the date of initial certification unless the certification is withdrawn or cancelled before that date. The Secretary shall send notice of a lapsing certification and a re-application form to a program participant at least four weeks prior to the expiration of the certification.

The Secretary shall forward first class mail, legal documents and certified mail to the appropriate program participants.

ASSUMPTION (continued)

§589.906

The proposed language indicates that upon demonstration of a program participant's certification in the program, state and local agencies and the courts shall accept the designated address as a program participant's address unless the Secretary has determined that the agency has a bona fide statutory or administrative requirement for the use of the participants address or mailing address, such that it is unable to fulfill its statutory duties and obligations.

The Driver License Bureau assumes the Secretary will follow procedures similar to that of their currently administered Safe at Home program. This assumes the Secretary will issue the certified program participant a card which confirms their program participation and provides the mailing address and participant number to be used for purposes of completing the driver license application. Currently the Safe at Home program is primarily handled by the Driver License Bureau through manual processes due to the smaller volume of participants; however, this proposed new program may significantly increase the volume of such applicants and the administrative tasks associated. The Driver License Bureau has completed this fiscal note assuming this increased volume and requirements for implementing automated processes to incorporate such into our current procedures and systems. If these proposed automations cannot be completed as part of this implementation, the Driver License Bureau would have to request additional FTE to complete the logging of data, which is assumed, will be required by the Secretary, based on similar program requirements.

§§589.908 through 589.910

The proposed sections defines provisions for the Secretary to make a program participant's address and mailing address available for inspection or copying.

§589.912

The proposed provisions define that a program participant's applicant and supporting materials are not a public record and shall be kept confidential by the Secretary.

§589.914

The proposed language indicates that the Secretary shall promulgate rules to establish and administer the address confidentiality program.

The section as written does not have a specific DLB impact, however based on the rules as defined, DLB processing or requirements may be affected which could result in increased cost of implementation.

ASSUMPTION (continued)

§589.916

The proposed section specifies that Section 23.253 of the Missouri Sunset Act shall not apply to any program established pursuant to 589.900 to 589.916.

The Driver License Bureau would ensure any requests related to this program for individuals obtaining a driver license, nondriver license or permit are referred to the Secretary of state and responded to according to these provisions.

To implement these provisions the Department will be required to:

- Develop business decision, design and business requirements documents;
- Work with OA ITSD to complete required changes to the Missouri Electronic Driver License (MEDL), Missouri Driver License (MODL) system, Central Driver Information System (CDIS) and other supporting applications to:
  - Allow for collection of second address line for collection of the program participants number as part of the alternate address (based on current similar program provisions);
  - Develop new stop code to ensure address updates are not made through National Change of Address or on-line address updates which would change the previously provided alternate address for certified program participant;
- Work with the Secretary of State to define program requirements;
- Modify issuance procedures in the Uniform License Issuance Manual;
- Modify address verification document procedures and related website information; and
- Update license issuance system procedures for entry of alternate address data.

FY2018 Driver License Bureau (DLB)

Administrative Analyst II - 300 hrs. @ \$19.43 per hr. =	\$5,829
Management Analyst Specialist II - 340 hrs. @ \$23.61 per hr. =	\$8,027
Revenue Band Manager II - 120 hrs. @ \$30.59 per hr. =	<u>\$3,671</u>
	\$17,527

FY2018 - Personnel Services Bureau

Update Web Page Information- Administrative Analyst III	20 hrs. @ \$22.59 = \$452
Develop Form - Management Analysis Spec I	20 hrs. @ \$20.94 = \$419
Develop Procedures - Management Analysis Spec I	40 hrs. @ \$20.94 = <u>\$838</u>
	Total = \$1,709

ASSUMPTION (continued)

OA-ITSD services will be required at a cost of \$40,500 (540 hours x \$75 per hour) in FY 2018.

In summary, DOR assumes a cost of \$59,736 (\$17,527 + \$1,709 + \$40,500) 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 \$40,500 for IT services in FY 2018.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** stated 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. 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 **Department of Corrections, Department of Public Safety - Missouri Highway Patrol, Office of Prosecution Services, Office of the State Public Defender, Office of the State Courts Administrator and St. Louis County Justice Services** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Attorney General's Office** assumed that any potential costs arising from this proposal can be absorbed with existing resources.

In response to a previous version, officials from the **St. Louis County Police Department, Springfield Police Department, Cole County Sheriff's Department and Boone County Sheriff's Department** each assumed the proposal would have no fiscal impact on their respective organizations.



<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Costs - SOS</u>			
Personal Services	(\$174,167)	(\$211,090)	(\$213,201)
Fringe Benefits	(\$103,407)	(\$124,711)	(\$125,339)
Equipment and Expense	(\$130,758)	(\$160,833)	(\$164,854)
Mailing machine	<u>(\$16,856)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - SOS</u>	(\$425,188)	(\$496,634)	(\$503,394)
FTE change - SOS	6 FTE	6 FTE	6 FTE
 <u>Cost - DOR - IT services</u>	 <u>(\$40,500)</u>	 <u>\$0</u>	 <u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$465,688)</u></b>	<b><u>(\$496,634)</u></b>	<b><u>(\$503,394)</u></b>
 Estimated Net FTE change to General Revenue Fund	 6 FTE	 6 FTE	 6 FTE
 <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

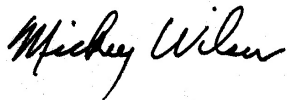
This proposal allows certain individuals who are or were parole officers, law enforcement officers, judicial employees or a member of their immediate family to use an alternative address on his or her driver's license. The alternative address is the street address of the courthouse in the county of the person's residence. The applicant must provide to the Department of Revenue proof that the applicant is qualified for a residence address exemption and provide an actual residence address for department records and mailing purposes. The person must notify the department no later than 30 days after the license holder ceases to qualify for an exemption and must apply for a duplicate license that displays the person's actual current residence address.

FISCAL DESCRIPTION (continued)

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 - Missouri Highway Patrol  
Department of Corrections  
Office of Prosecution Services  
Office of the State Public Defender  
Attorney General's Office  
St. Louis County Police Department  
Boone County Sheriff's Department  
St. Louis County Justice Services  
Springfield Police Department  
Cole County Sheriff's Department  
Office of the Secretary of State



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