

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4337-01  
Bill No.: HB 1097  
Subject: Licenses - Driver's; Veterans; Revenue Department  
Type: Original  
Date: February 9, 2012

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Bill Summary: This proposal establishes a veteran designation on driver's licenses.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	Up to (\$28,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Up to (\$28,000)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<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 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol** and **Department of Public Safety - Missouri Veterans Commission** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** assume 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 Secretary of State's Office 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, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Officials from the **Department of Revenue - Driver License Bureau (DLB)** estimate the proposed changes will require modification of procedures and forms related to driver license or nondriver license applications. It will also require development and testing changes required to add veteran indicator processing within the Missouri Electronic Driver License system, coordination with card vendor to develop a design for format and placement of the indicator on the Missouri driver or nondriver license and modification to the Department's web site to add information related to the availability, criteria and cost of the proposed indicator.

### FY 13 – Driver License Bureau

Administrative Analyst -	120 hrs @ \$24 (1 ½) per hr =	\$ 2,880
Management Analyst Specialist II -	160 hrs @ \$23 per hr =	\$ 3,680
Revenue Band Manager -	40 hrs @ \$30 per hr =	<u>\$ 1,200</u>
	<b>Total</b>	<b>\$7,760</b>

ASSUMPTION (continued)

FY 13 - Personnel Services Bureau

Administrative Analyst III	20 hrs @ \$22 per hr =	\$440
2 Management Analysis Specialist I - 80 hrs @ \$21 per hr =		<u>\$1,680</u>
	<b>Total</b>	<b>\$2,120</b>

Officials from the **Department of Revenue - Information Technology - OA-ITSD (DOR)** state the Department's response to a proposal similar to or identical to this one in a previous session indicated the department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's driver license legacy systems, changes cannot be made without significant impact to the Department's resources and budget.

OA-ITSD (DOR) state the proposal will require a new indicator in issuance transaction, Missouri Drivers License System (MODL) and L1 databases, new entry routine and edits for new indicator and a new symbol on licenses. It will also require modification of the Missouri Electronic Drivers License (MEDL), Central Driver Information and system (CDIS) and MODL screens.

FY13 - Information Technology

1 MODL Programmer	140 hrs @ \$26.50 per hr =	\$3,710
1 L1 Contractor	140 hrs @ \$200 per hr =	<u>\$28,000</u>
	<b>Total</b>	<b>\$31,710</b>

In summary, DOR assumes a cost of \$41,590 (\$7,760 + \$2,120 + \$31,710) in FY 2013 to provide for the implementation of the changes in this proposal.

**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 personal service cost related to this proposal. Oversight assumes some of DOR's anticipated work hours could be performed during the normal work day and not create an additional expense to their budget; therefore, Oversight will range the cost to DOR as 'up to \$28,000'

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Costs - Department of Revenue</u>			
Administrative changes to prepare for updates in the proposal	<u>Up to (\$28,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>Up to (\$28,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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 a person to apply to the Department of Revenue to obtain a veteran designation on a driver's license or identification card upon providing a United States Department of Defense discharge document, known as a DD Form 214, showing a discharge status of "honorable" or "general under honorable conditions" and the payment of the authorized fees for the license or card.

A person seeking a duplicate driver's license with the veteran designation for a license which has not expired must pay the authorized fee under Section 302.185, RSMo.

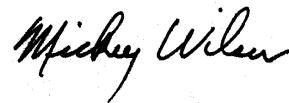
The department may determine the appropriate placement of the designation on a license or card.

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  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Department of Public Safety



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Director  
January 12, 2012