

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4923-01  
Bill No.: HB 1155  
Subject: Licenses - Driver's; Courts; Revenue Department  
Type: Original  
Date: January 17, 2012

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Bill Summary: This proposal amends provisions relating to commercial driver's licenses.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
General Revenue	Up to (\$3,120)		
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Up to (\$3,120)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE 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>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 7 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 **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Joint Committee on Administrative Rules** state this proposal 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.

### Section 302.700 and 302.768

Officials from the **Department of Transportation** state the enactment of these changes to Missouri's CDL statutes will be necessary to bring this State into compliance with the Federal mandate prescribed by 49 USC Section 31311 (a) (1) and (21), Section 31309 (e) (4) and Section 31305 (a) (7); and 49 CFR Section 383.73 and Section 384.301.

If not enacted, Missouri's federal-aid highway funds are subject to withholding in the amounts of \$30 million the first fiscal year and \$60 million the second year and thereafter.

**Oversight** assumes Missouri will be in compliance with the mandated provisions and will assign no cost for sanctions.

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** state this section proposes new definitions and modifications to current definitions related to commercial driver license requirements to comply with Federal Motor Carrier Safety regulations and support the implementation of the federal rule labeled “Medical Certification Requirements as part of the Commercial Driver License (CDL)”.

DOR states cost associated with development and implementation of the proposed medical certification program (Section 302.700) will be absorbed as part of a system upgrade project and through federal funds.

**Section 302.341**

Officials from the **Department of Revenue - Driver License Bureau (DLB)** assume this section proposes changes to meet federal commercial driver license requirements related to failure to appear in court actions. The proposed change indicates these actions cannot be removed from the record upon reinstatement if the applicant was operating a commercial motor vehicle at the time of the offense or is a commercial driver license holder.

DOR states administrative impact for Section 302.341 include modifying the Missouri Driver License system and supporting applications related to failure to appear actions and complete end user testing of all changes.

DLB estimates 80 hours of modifying the applications for one Administrative Analyst (at \$16 per hour or \$1,280) and 80 hours of end user testing of changes (at \$23 per hour or \$1,840). In summary, DOR assumes a cost of \$3,120 ( \$1,280 + \$1,840) in FY 2013 to provide for implementation of the changes in this part of the proposal.

**Section 302.768**

Officials from the **Department of Revenue** state this proposes a new section to support the implementation of Federal Motor Carrier Safety Regulation changes defined in a finalized federal rule affecting 49 CFR Parts 383, 384, 390 and 391 labeled “Medical Certification Requirements as part of the CDL”. This section requires commercial driver license applications to complete certain self certifications and submit required medical certification documents when applicable. The state must capture and store data related to drivers who are required to submit proof of medical certification. These certifications must be updated at least every two years based on federal requirements. The state must store and pass this data to law enforcement, commercial motor vehicle enforcement and other states.

ASSUMPTION (continued)

DOR assumes the cost associated with development and implementation of the proposed medical certification program will be absorbed as part of a pending system upgrade project. The Department will continue to seek federal funds to notify Commercial Drivers of the new requirements; however, if federal funding is not provided, DOR will require the following state funds in order to notify the 300,000 drivers:

FY 14

Printing Cost ( per 1,000)	300 @ .076 =	\$22.80
Letters	300,000 @ .025 =	\$7,500.00
Envelopes	300,000 @ .04 =	\$12,000.00
Postage	300,000 @ .45 =	\$135,000.00
	Total =	\$154,522.80

DOR stated they have been approved for a federal grant to implement the new federal requirements; however, DOR stated they cannot use the grant monies for notification. Therefore, **Oversight** assumes that DOR is not required by this proposal to notify a licensee of this new federal licensing requirement. The notification upon license renewal could be an option.

**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 \$3,120'.

<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 (\$3,120)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>Up to (\$3,120)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Local Government

FY 2013  
(10 Mo.)

FY 2014

FY 2015

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Commercial drivers could be impacted by this proposed legislation.

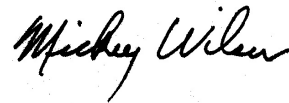
FISCAL DESCRIPTION

This proposal changes the laws regarding commercial driver's licenses. In its main provision, the bill: (1) Requires the Director of the Department of Revenue to return the license and remove the suspension from an individual's driving record if he or she was not operating a commercial motor vehicle or was not a commercial driver's license holder at the time of the offense and he or she provides proof of the disposition of the charges, payment of the fine and any court costs, and payment of the reinstatement fee; (2) Specifies that a person will be disqualified for a commercial driver's license for any withdrawal of his or her privilege to drive a commercial vehicle by the countries of Canada or Mexico as the result of certain specified motor vehicle violations; (3) Requires an applicant for a commercial driver's license or commercial driver's instruction permit to comply with the requirements of the Federal Motor Carrier Safety Administration by certifying that he or she is: (a) A driver operating or expecting to operate in interstate or foreign commerce or is otherwise subject to and meets federal rules and is required to obtain a medical examiner's certificate; (b) A driver operating or expecting to operate entirely in interstate commerce that is exempt from federal law and not required to obtain a medical examiner's certificate; (c) A driver operating only in intrastate commerce and is subject to Missouri driver qualifications; or (d) A driver operating or expecting to operate only in intrastate commerce and engaging only in operations exempt from all Missouri driver qualification requirements; and (4) Specifies that an applicant certifying to operation in nonexempt commerce must provide the state with a current medical examiner's certificate or a certificate accompanied by a medical variance or waiver. The bill specifies the certification process. A person who falsifies any information in an application for or an update of medical certification status information cannot be licensed to operate a commercial vehicle or his or her commercial driver's license must be canceled for a period of one year after the department director discovers the falsification. The provisions of the bill will become effective on the date the Director of the Department of Revenue begins accepting medical certifications or on May 1, 2013, whichever occurs first.

This legislation is 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 State Courts Administrator  
Department of Public Safety  
Department of Transportation  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Mickey Wilson, CPA  
Director  
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