

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4947-01  
Bill No.: HB 1149  
Subject: Licenses - Driver's; Fees; Revenue Department  
Type: Original  
Date: February 13, 2012

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Bill Summary: This proposal requires applicants taking the written portion of the driver's license examination to pay a ten dollar fee.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$18,780)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$18,780)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Highway Fund	\$824,505	\$989,406	\$989,406
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$824,505</b>	<b>\$989,406</b>	<b>\$989,406</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>
General			
<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>\$549,670</b>	<b>\$659,604</b>	<b>\$659,604</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **St. Louis Public Schools** did not respond to our request for fiscal impact.

Officials from the **Department of Elementary and Secondary Education** defer to the Department of Revenue regarding any potential revenue to be received from this legislation.

Officials from the **Department of Revenue (DOR) - Driver License Bureau (DLB)** state the proposed change will require the Department to modify and test changes to the Missouri Electronic Driver License system to incorporate collection and accounting of the \$10.00 written examination fee. It will also require modification and test changes to the Missouri Transportation Accounting System (MTAS) to accommodate the new fee and new distribution processes, modification of the Missouri Driver Guide (web and hardcopy formats) and driver license forms related to examination requirements and fees.

Administrative Analyst -	200 hrs @ \$24 (1 1/2) per hr =	\$4,800
Management Analyst Specialist II -	240 hrs @ \$23 per hr =	\$5,520
Revenue Band Manager -	40 hrs @ \$30 per hr =	<u>\$1,200</u>
	<b>Total =</b>	<b>\$11,520</b>

Officials from the **Department of Revenue - Personnel Services Bureau (PSB)** state the proposed change will require personnel costs for the PSB for updating of DLB related forms, procedures and manuals and updating of web site information related to the driver examination process and driver license and instruction permit examination fees.

1 Administrative Analyst III -	40 hrs @ \$22 per hr =	\$ 880
2 Management Analysis Specialist 1 -	160 hrs @ \$20 per hr =	<u>\$ 3,200</u>
	<b>Total =</b>	<b>\$ 4,080</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's license legacy systems, changes cannot be made without significant impact to the Department's resources and budget.

ASSUMPTION (continued)

Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$3,180 (1 FTE at \$26.50 for 120 hours)

In summary, DOR assumes a cost of \$18,780 ( \$11,520 + \$4,080 + \$3,180) in FY 2013 to provide for the implementation of the changes in this proposal.

DOR states the total Class E, F and M written examinations administered during Calendar Year 2011 with passing scores = 164,901.  $164,901 \times \$10.00$  (proposed fee) = \$1,649,010. For FY 2013, \$1,374,175 ( $\$1,649,010 / 12 \times 10$ ) in total estimated annual revenue increase from non-commercial written examination fees for FY13.

Estimated Distribution as proposed:

**FY 13**

$\$1,374,175 \times 60\% = \$824,505$  Potential annual distribution to MSHP  
 $\$1,374,175 \times 20\% = \$274,835$  Potential annual distribution to DARE program  
 $\$1,374,175 \times 20\% = \$274,835$  Potential annual distribution to local school districts

**FY 14 & FY 15**

$\$1,649,010 \times 60\% = \$989,406$  Potential annual distribution to MSHP  
 $\$1,649,010 \times 20\% = \$329,802$  Potential annual distribution to DARE program  
 $\$1,649,010 \times 20\% = \$329,802$  Potential annual distribution to local school districts

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume these fees will be collected only after successful completion of the written test and application is made to the Department of Revenue which is current process with CDL licenses. In calendar year 2011, 164,854 class F, E, and motorcycle written test were administered with a passing score at a Missouri State Highway Patrol examination office ( $164,854 \times 10 = \$1,648,540$ ). Of this amount, 60% would be distributed to the Patrol for operating expenses ( $\$1,648,540 \times .60 = \$989,124$ ).

However, in calendar year 2011, the total number of class E, F, and motorcycle test administered was 466,306. Therefore, if the intent of this legislation is to collect a \$10 fee regardless if the applicant would pass or fail, the impact would have been \$4,663,060 ( $466,306 \times \$10$ ) in which the Patrol would receive \$2,797,836 ( $\$4,663,060 \times .60$ ) for operating cost.

ASSUMPTION (continued)

For purposes of this fiscal note, we will assume that the Patrol's portion of the \$10 fee would be deposited into Highway Funds, but also believe it is possible the State may create a new fund since that 60% would be dedicated exclusively to the Highway Patrol.

**Oversight** will assume the \$10 fee will only apply to applicants who pass the test.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Department of Revenue Administrative changes to prepare for updates in the proposal	<u>(\$18,780)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$18,780)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>HIGHWAY FUND</b>			
<u>Income</u> - Distribution to Highway Fund for new written exam fees	\$824,505	\$989,406	\$989,406
<u>Income</u> - Distribution to Highway Fund for new written exam fees	\$274,835	\$329,802	\$329,802
<u>Expense</u> - Payments to local Police Departments for DARE program	<u>(\$274,835)</u>	<u>(\$329,802)</u>	<u>(\$329,802)</u>
<b>ESTIMATED NET EFFECT TO THE HIGHWAY FUND</b>	<b><u>\$824,505</u></b>	<b><u>\$989,406</u></b>	<b><u>\$989,406</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - Schools distribution to Highway Fund for new written exam fees	\$274,835	\$329,802	\$329,802
<u>Income</u> - Police Departments distribution to Highway Fund for new written exam fees	<u>\$274,835</u>	<u>\$329,802</u>	<u>\$329,802</u>
<b><u>ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS</u></b>	<b><u>\$549,670</u></b>	<b><u>\$659,604</u></b>	<b><u>659604</u></b>

FISCAL IMPACT - Small Business

This legislation could have a small impact on small businesses that pay for testing on their employees.

FISCAL DESCRIPTION

This proposal requires an applicant taking the written portion of the driver's license examination to pay a \$10 fee which must be payable to the Director of the Department of Revenue and disbursed as follows:

- (1) 60% to the State Highway Patrol for operating expenses;
- (2) 20% to the Drug Awareness Resistance Education (DARE) Program; and
- (3) 20% to the local school district where the fees are collected for high school driver's education programs within the district.

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

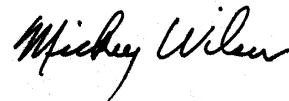
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SOURCES OF INFORMATION

Department of Revenue  
Department of Public Safety  
Department of Elementary and Secondary Education

NOT RESPONDING

St. Louis Public Schools



Mickey Wilson, CPA  
Director  
February 13, 2012