

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4827-04  
Bill No.: HCS for HB 2121  
Subject: Department of Revenue; Licenses - Driver's; Licenses - Motor Vehicle  
Type: Original  
Date: March 3, 2020

---

Bill Summary: This proposal modifies provisions relating to the selection of Department of Revenue fee offices.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

#### *Administrative Impact*

To enforce the regulations and ensure consistent application of these provisions, the department could see a need for additional staff. Removing any component related to wage could cause employee turnover in license offices to increase if the license offices did not pay their employees in an equitable manner due to the complexity of the transactions and the lack of understanding of the requirements by customers, often causing irate and at times hostile customers, making a lower wage even less attractive.

Below are the duties incurred by the Department when a new employee is hired at a license office:

Approving new employees requires Central Office Staff:

- Review background checks
- Tracking required training before userid(s) are issued
- Requesting needed information from the contractor or new employee
- Add the individuals to driver license system as appropriate
- Request needed JetPay logins
- Provide approval emails to the offices so that they may request a user name and password.
- Updating USER ID spreadsheets
- Updating Employee spreadsheet
- Updating systems as needed
- Update office file

Removing employees requires Central Office Staff:

- Track that employees have been removed as required from systems ITSD is responsible for
- Remove employees from driver license system
- Request removal from JetPay
- Update employee spreadsheets
- Update office file

ASSUMPTION (continued)

This turnover would be a detriment to the citizens of Missouri, as the loss of knowledge would cause transactions to be processed incorrectly, resulting in multiple return trips to the license office.

The Department anticipates being able to absorb this impact. If the increase in license office employee turnover is significant, additional FTE will be requested through the appropriations process.

In order to prepare and promulgate the regulations necessary for implementation of this legislation, and to effectively enforce the provision of the regulations, the department requests a delayed effective date of January 1, 2021.

**Oversight** notes DOR officials stated they will use existing staff and will not hire additional FTE to conduct these activities. Oversight has no information to the contrary and will reflect a zero impact to DOR on the fiscal note.

Officials from the **Department of Transportation, Office of Administration** and **Office of the Governor** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

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 SOS for Administrative Rules is less than \$5,000. 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 require additional resources.

ASSUMPTION (continued)

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

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

FISCAL IMPACT - State Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
	\$0	\$0	\$0

FISCAL IMPACT - Local Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

License contract offices could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to the selection of Department of Revenue fee offices.

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

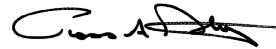
L.R. No. 4827-04  
Bill No. HCS for HB 2121  
Page 6 of 6  
March 3, 2020

SOURCES OF INFORMATION

Department of Revenue  
Department of Transportation  
Office of Administration  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of the Governor



Julie Morff  
Director  
March 3, 2020



Ross Strobe  
Assistant Director  
March 3, 2020