

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1446-01
Bill No.: HB 694
Subject: Licenses - Driver's: Motor Vehicles; Revenue Department
Type: Original
Date: March 5, 2007

Bill Summary: Makes eligibility for a driver's license for persons between the ages of 15 and 18 contingent upon documentation that the applicant has complied with school district standards for eligibility.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of 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 to the SOS office for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Revenue** state that due to the extended implementation date of January 1, 2010, the Driver License Bureau costs for end user testing and other implementation tasks can be absorbed.

Officials from the **Department of Elementary and Secondary Education (DES)** assume there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DES cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. The affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

DES assumes any increase in fine or penalty distribution is contingent upon the number of persons found guilty of a class C misdemeanor for knowingly submitting false information relating to the terms of the proposal and will not likely be significant.

There is no way to estimate the cost this proposal will present to local school districts; however, the cost will be significant. The proposal would require districts to present a certificate to each person aged 15 to 18 documenting that the student has complied with the school district's standards for eligibility for an operator's license or temporary permit. Each school district shall develop a plan that includes, but is not limited to, elements that demonstrate effort on the

ASSUMPTION (continued)

student's part, such as attendance, and maintaining grades and achieving assessment scores consistent with their skills and abilities.

The proposal indicates that DES, in cooperation with the DOR, shall promulgate a model or models for school district standards; however, DES assumes school districts will incur inestimable costs to duplicate, prepare, and provide certificates for students; track and retrieve information on a student-by-student basis; and report the required information in accordance with the proposal.

Oversight assumes reporting requirements will be minimal and can be absorbed with existing resources.

Officials from the **Parkway School District** indicated there would be cost associated with this proposal, but did not indicate what the fiscal impact would be.

Officials from the **Francis Howell School District** state the proposal imposes an administrative burden, but did not assign a cost.

Again, **Oversight** assumes reporting requirements will be minimal and can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

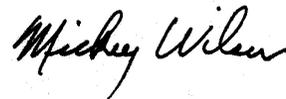
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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 Elementary and Secondary Education
Office of Secretary of State
 Administrative Rules Division
School Districts
 Parkway
 Francis Howell



Mickey Wilson, CPA
Director
March 5, 2007