

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5120-01  
Bill No.: HB 1398  
Subject: Licenses - Driver's; Revenue Department  
Type: Original  
Date: February 25, 2014

Bill Summary: This proposal requires same-day service for driver's license issuance and renewal, prior to January 2, 2016.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Less than \$100,000)	(Up to \$5,000,000)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Less than \$100,000)</b>	<b>(Up to \$5,000,000)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Revenue (DOR)** assume this legislation proposes that the department implement same-day service for license issuance and renewal in which an applicant's license is printed in the individual license office and is issued to the applicant at the time of his or her application.

### Administrative Impact

The changes to this section will require the department to:

- Amend the current license issuance contract with the vendor to acquire over-the-counter printers, card design functionality and consumables required to produce the driver and nondriver licenses in the license offices.
- Modify the Missouri Electronic Driver License Central Issuance system and supporting applications to allow for processing of the driver and nondriver license in the license offices.
- Install new equipment in each of the 182 license offices.
- Install new equipment in the central office for testing and development.
- Modify website information, forms and manuals with references to license issuance requirements and conduct training.
- Complete test case development and end user testing of hardware and license issuance procedures for issuance of the driver and nondriver license documents.
- Deploy outreach efforts to inform the public, state and federal agencies and other entities using a Department of Revenue issued driver or nondriver license (identification card) for verification of identity of the changes.

ASSUMPTION (continued)

- On-going management of inventory processes for maintaining document production consumables in all offices.
- OA-ITSD would require several programming changes.

FY `15 - Driver License Bureau

Administrative Analyst I -	960 hrs @ \$26.00(1 1/2) per hr =	\$24,960
Management Analyst Specialist II -	1000 hrs @ \$24.00 per hr =	\$24,000
Revenue Band Manager II -	320 hrs @ \$32.00 per hr =	<u>\$10,240</u>
	<b>Total =</b>	<b>\$59,200</b>

FY 15 - Personnel Services Bureau

Update Web Page Information - Administrative Analyst III	10 hrs @ \$23.00 =	\$ 230
Develop Form - Management Analysis Spec I	80 hrs @ \$22.00 =	\$1,760
Develop Procedures - Management Analysis Spec I	80 hrs @ \$22.00 =	<u>\$1,760</u>
	<b>Total =</b>	<b>\$3,750</b>

Total OA-ITSD Impact for FY `15 is 860 hours at \$27.30 an hour = \$23,478

DOR assumes the equipment and card design software will be provided by a vendor. If not, then a graphics designer would need to be hired.

In summary, DOR assumes a cost of \$86,428 (\$59,200 + \$3,750 + \$23,478) in FY 2015 to provide for the implementation of the changes in this proposal.

To meet the requirements of this proposal DOR assumes the department must amend the current license issuance hardware and card printing vendor contract to acquire over-the-counter printers, card design and consumable card materials in all offices.

ASSUMPTION (continued)

The cost to obtain the necessary printers for each of the 182 license offices and central office systems, maintenance, card design hardware and software and consumables by amending the current contract is estimated to be a one-time cost of \$5,000,000 until the end of the contract.

The current contract is set to expire in September of 2016, and once the contract is rebid with over-the-counter issuance as prescribed by this legislation, the per-document cost will increase. It's unknown what the increased cost to the state will be in FY '17 and future fiscal years.

**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 costs related to this proposal. Since Oversight assumes some of the cost could be absorbed, Oversight will assume a "Less than \$100,000" cost to the General Revenue Fund in FY 2015, an "Up to \$5,000,000" cost in FY 2016 and an unknown cost in FY 2017

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE</b>			
<u>Cost - DOR</u>			
Administrative and printer cost	<u>(Less than \$100,000)</u>	<u>(Up to \$5,000,000)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE</b>	<b><u>(Less than \$100,000)</u></b>	<b><u>(Up to \$5,000,000)</u></b>	<b><u>(Unknown)</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires, by January 2, 2016, the Department of Revenue must provide same day service for the issuance and renewal of licenses. The license will be printed and issued at the individual license office at the time of his or her application.

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  
Office of the State Treasurer



Mickey Wilson, CPA  
Director  
February 25, 2014

Ross Strobe  
Assistant Director  
February 25, 2014