

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2984-01
BILL NO.: HB 1145
SUBJECT: Licenses - Driver's: Revenue Department
TYPE: Original
DATE: January 24, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	\$5,723	\$13,961	\$13,433
General Revenue	(\$17,000)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$11,257)	\$13,961	\$13,433

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$11,667	\$13,999	\$13,999

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Highway Patrol (MHP)** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Revenue (DOR)**, Drivers License Bureau (DLB) assume this proposal requires the DLB to issue a temporary license without a photograph to an individual who is in custody of the Department of Corrections or any jail. Currently this type of license is only issued to individuals who are out-of-state and cannot appear in a Missouri license office for renewal or issuance of their Missouri license.

It is assumed that those individuals in the custody of the Department of Corrections or a jail will still be required to pass the vision examination. This fiscal note is prepared on the assumption that DOR employees will not administer the vision exams for these individuals. Currently, individuals who are out-of-state are required to incur the costs associated with obtaining a vision reading. Using this assumption, the Department of Corrections and local jails will be required to incur the expense for the vision requirements on the inmates.

According to the Department of Corrections, there are approximately 25,000 individuals incarcerated in their facilities. The Missouri Sheriff's Association estimates 7,000 individuals on average who are held in county facilities throughout the state. Therefore the total number of incarcerated individuals that would be affected by this proposal is 32,000. (25,000 + 7,000 = 32,000 inmates)

To determine the fiscal impact, the Drivers License Bureau estimates 35% of these individuals will apply for a driver license through this process. (32,000 x 35% = 11,200 license applications)

Drivers licenses are renewed on a three year cycle, therefore DOR estimates approximately 3,733 applications will be processed each year relating to this proposal. (11,200/3 year renewal cycle = 3,733 applications per year)

The Drivers License Bureau currently uses .75 FTE to process 4,100 temporary licenses for individuals who are out-of-state per year. Based on these statistics, the Drivers License Bureau estimates one additional FTE will be needed to process the increased volume of applications per year.

ASSUMPTION (continued)

Revenue Decrease

The current license vendor charges DOR \$1.86 per license issued. If 3,733 licenses are issued each year the anticipated fiscal impact in FY01 would be \$5,786 and \$6,943 in FY02 and 03.

Revenue Increase

DOR assumes \$15.00 will be charged to each applicant for the temporary licenses. Last year's Senate Bill 19 changed the license expiration to 6 years and increased the cost for a Class F license to \$15.00. This will have the following revenue impact:

$$3,733/12 \times 10 \text{ (FY01)} = 3,111 \times \$15 = \$46,665$$

FY01

\$46,665 x 75% = \$34,999 Highway Fund
\$46,665 x 15% = \$ 7,000 Cities
\$46,665 x 10% = \$ 4,667 CART

FY02 & 03

\$55,995 x 75% = \$41,996 Highway Fund
\$55,995 x 15% = \$ 8,399 Cities
\$55,995 x 10% = \$ 5,600 CART

Official of the **Department of Transportation (MoDOT)** concur with the Department of Revenue's response to this legislation.

Officials of the **Department of Corrections (DOC)** could not interpret parts of this proposal and therefore could not make an exact estimate of the fiscal impact on the DOC. Effects of the proposal have the potential to be in excess of \$100,000 annually.

Oversight assumes, per an estimate by DOC, that vision testing equipment could be purchased for the 20 DOC facilities at a total of \$17,000. DOC has approximately 25,000 inmates. If 35% apply for a temporary license as DOR has estimated, 8,750 inmates would need their vision tested over a three year period, or 2,917 annually. 243 inmates per month would be vision tested at all 20 DOC facilities, or 12 inmates per month per facility. If vision tests require 15 minutes of staff time, this would equal approximately 3 hours of DOC staff time per month per facility. Oversight assumes DOC could absorb this duty within current appropriations but has included the one-time costs for the equipment purchase. If a disproportionate number of inmates at one facility choose to apply for temporary licenses, DOC may find it necessary to request staff
ASSUMPTION (continued)

through the budget process. Oversight assumes DOC inmates would pay the temporary license fee, which could further reduce the number of applicants.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
HIGHWAY FUND			
<u>Income - Department of Revenue</u>			
License fees	\$34,999	\$41,996	\$41,996
<u>Cost - Department of Revenue</u>			
Cost to DOR for licenses issued	(\$5,786)	(\$6,943)	(\$6,943)
Personal Service (.75 FTE)	(\$12,608)	(\$15,895)	(\$16,292)
Fringe Benefits	(\$3,877)	(\$4,888)	(\$5,010)
Expense and Equipment	(\$7,005)	(\$309)	(\$318)
Total Cost - DOR	(\$29,276)	(\$28,035)	(\$28,563)
 ESTIMATED NET EFFECT ON HIGHWAY FUND	 <u>\$5,723</u>	 <u>\$13,961</u>	 <u>\$13,433</u>
 GENERAL REVENUE			
<u>Cost - Department of Corrections</u>			
Expense and equipment	(\$17,000)	\$0	\$0
 ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	 <u>(\$17,000)</u>	 <u>\$0</u>	 <u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
CITIES and COUNTIES			
<u>Income - Cities</u>			
License Fees	\$7,000	\$8,399	\$8,399
<u>Income - Counties</u>			
License Fees	\$4,667	\$5,600	\$5,600
ESTIMATED NET EFFECT ON CITIES and COUNTIES	<u>\$11,667</u>	<u>\$13,999</u>	<u>\$13,999</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposed legislation allows a temporary drivers' license, without a photograph, to be issued to offenders in the custody of the Department of Corrections or any jail.

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

This proposal would affect Total State Revenues.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Missouri Highway Patrol
Department of Corrections



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Director
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