

Fiscal Estimate - 2013 Session

Original Updated Corrected Supplemental

LRB Number 13-1841/2	Introduction Number SB-480
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Description
 Renewal of operator's licenses by persons 75 years of age or older

Fiscal Effect

State:

No State Fiscal Effect

Indeterminate

<input type="checkbox"/> Increase Existing Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.395(5)(cq)	

Agency/Prepared By DOT/ Robert Combs (608) 266-1449	Authorized Signature Stephanie LaSage (608) 267-3703	Date 1/22/2014
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Fiscal Estimate Narratives

DOT 1/22/2014

LRB Number	13-1841/2	Introduction Number	SB-480	Estimate Type	Original
Description Renewal of operator's licenses by persons 75 years of age or older					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, a person who is 75 years of age or older must renew his or her operator's license every four years, instead of every eight years specified in current law. Increasing the rate of renewal twofold for all drivers 75 years of age or older, while allowing such drivers to renew by mail or by electronic means if certain medical document(s) are provided to the Department by the driver, will increase costs relating to operations and materials, customer visits to DMV service centers, and administrative functions at the DMV Medical Review Unit.

It is estimated that this bill would increase operational and administrative costs in the amount of approximately \$609,000 annually, including the cost of an additional 10.0 FTE in DMV's Bureau of Field Services and Bureau of Driver Services, and costs related to materials in the amount of approximately \$97,000 annually; totaling \$706,000. In addition, the Department estimates that the bill will result in a one-time cost of approximately \$81,000 for information technology (IT) work, which will be required to change existing or build new IT systems.

Currently, the fee relating to the renewal of a license authorizing the operation of "Class D" motor vehicles is \$24 and, in addition to any other applicable fee, the license issuance fee relating to the renewal of any license is \$10. Accordingly, the total cost for the renewal of the aforementioned license type is \$34. The bill maintains this particular fee structure, and results in fees totaling \$34 to be paid by an applicant for renewal of an operator's license. With the bill requiring drivers 75 years of age or older to renew every four years, rather than every eight years, such drivers will now be required to pay the \$34 fee twice over an eight year period, instead of once as is done currently.

By changing to a four-year renewal period, it is estimated that an additional 35,269 renewals per year would be generated, comprised of all three renewal methods. With the renewal fee cost of \$34, as mentioned above, and the aforementioned number of additional renewals per year, the bill will increase revenues in the amount of \$1,199,146. The Department estimates the initial online renewal rate to be 20%, which is similar to online license plate renewals, with more individuals renewing online over time. Additionally, approximately 35% of these renewals will require a road test (skills test).

Long-Range Fiscal Implications

Increasing the rate of renewal twofold for all drivers 75 years of age or older, while allowing such drivers to renew by mail or by electronic means if certain medical document(s) are provided to the Department by the driver, will result in an increase of annual costs by approximately \$706,000.

With the renewal fee cost of \$34 and the number of estimated additional renewals per year of 35,269, annual revenues will increase by an amount of \$1,199,146.

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

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 Updated
 Corrected
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Description Renewal of operator's licenses by persons 75 years of age or older			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): IT costs for system upgrades or changes: \$81,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$609,453		\$
(FTE Position Changes)	(10.0 FTE)		
State Operations - Other Costs	96,559		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$706,012		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	706,012		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S (20.395(5)(cq))	1,199,146		
TOTAL State Revenues	\$1,199,146		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$706,012		\$
NET CHANGE IN REVENUE	\$1,199,146		\$
Agency/Prepared By		Authorized Signature	Date
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