

FISCAL NOTE

Requested by Legislative Council
01/20/2009

Bill/Resolution No.: HB 1492

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$400,000		\$400,000
Expenditures				\$759,640		\$590,100
Appropriations				\$759,640		\$590,100

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill establishes a 3 stage graduated driver's license process. Drivers obtain an instruction permit, intermediate license, and finally an unrestricted license. It also creates a separate farm license

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1, paragraph 3 allows the director to issue an intermediate operator's license. This will increase current card issuing workloads by approximately 10.5%. It also requires significant software modifications.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Under the current process, individuals who pass the road test exchange their permits for an unrestricted license. The new process would be to exchange their permit with an intermediate license after successfully completing a road test. When these individuals qualify for an unrestricted license, they would be required to purchase the new card for a fee of \$10.00. If fees remain unchanged, this could generate approximately \$200,000 annually (\$10 x 20,000 intermediate licenses). There were approximately 194,900 cards issued in 2008 for various fees.

Per Biennium Revenue (\$200,000 x 2) = \$400,000

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Permits accounted for 10.46% of all cards issued in 2008. It is estimated that introducing the intermediate license could double this workload. There are currently 41 examiners statewide that conduct licensing. The additional FTE needs are calculated as follows:

41 Examiners currently on staff * 10.46% = 4.3 additional FTE examiners needed(one at each of the four major sites.

The addition of these new examiners to handle the anticipated increase in workload could not be done in the current locations throughout the state. The anticipated expenses are as follows:

4 Additional FTEs @ \$45,000/yr(salary+benefits) = \$180,000
 Remodeling of Counters (\$20,000 x 4 Ea.) = \$80,000
 Additional Equipment (New terminals) = \$8,000
 Card Printing Costs (Viisage, 20,000 x \$2.99) = \$59,800
 Training Costs for new examiners = \$3,000
 Relocating to new facilities = \$50,000
 Additional Lease Expense = \$40,000
 Additional Utility Expense = \$1,200
 Total Expenses 1st Year = \$422,000

Note: Remodeling, additional equipment, training cost, and relocating are one-time expenses.

Software Modifications:

There are considerable validation, edit requirements and program logic changes to both the issuance and record maintenance programs. Programming estimates based on the following calculation factors:

ITD Programming

9 existing programs: 360 hrs = \$25,920.00

4 new programs: 320 hrs = 23,040.00

Total ITD Programming Costs = \$48,960.00

DOT IT Staff hrs: 160 hrs = 7,680.00

Total Programming Costs = \$56,640.00

Per our contract with L1 Technologies, the two new card formats will be of no cost other than the DOT staff time in the design and testing.

2009-2011 Biennium expense

(1st year \$422,000+IT Costs of \$56,640 + 2nd year \$281,000)=\$759,640

2011-2013 Biennium expense

(\$281,000 * 2 = \$562,000)+5% inflation=\$590,100

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Appropriations needed for this bill are \$759,640 for 2009-2011 biennium plus continuing appropriations of approximately \$590,100 per biennium thereafter.

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