



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	SB0275	Title:	Revise driver license laws related to veteran status
Primary Sponsor:	Buttrey, Edward	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
Expenditures:				
General Fund	\$40,500	\$0	\$0	\$0
State Special Revenue	\$25,000	\$0	\$0	\$0
Revenue:				
General Fund	\$47,745	\$47,745	\$0	\$0
State Special Revenue	\$4,375	\$4,375	\$0	\$0
Net Impact-General Fund Balance:	<u>\$7,245</u>	<u>\$47,745</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 275 allows for Montana residents who have a veteran status, upon providing documentation of such status, to be provided a driver's license or identification card that shall include the word "veteran" on the face of the card. There would a cost to create this new license and also offsetting revenue that would be generated by driver's license replacement.

FISCAL ANALYSIS

Assumptions:

1. This bill has an effective date of January 1, 2014.
2. There are approximately 120,000 veterans in Montana. Of these residents, it is estimated that 60,000 would apply and be approved to have the word "veteran" on the face of their driver license or identification card.
3. A one-time expense in FY 2014 to create a driver license and identification card containing the word "veteran" on the face. The vendor currently used to produce Montana driver licenses and identifications cards estimates the cost to place the Veteran Marker on the face of driver licenses and identification cards will not exceed \$60,000.
4. It is estimated that 5,000 of the veterans in assumption #2 will elect to replace their current driver license within the first two years after implementation. The remainder of these individuals would elect to add the designation at the time of renewal.

5. Expenses would be split 62% general fund revenue and 38 % state special fund.
6. The cost of a duplicate driver license is \$10. Of this fee, 91.25% is deposited into the general fund and 8.75% is deposited into a state special revenue fund. Using the information provided in assumption number 5, MVD estimates an increase in general fund revenue \$45,625 each year for the first two years and state special revenue \$4,375 for the same time period.
7. 5,296 identification cards were issued to individuals age 21 or older in FY 2012. If 5%, or 265 individuals, added “veteran” to an identification card within the first two years, general fund revenue would increase \$2,120 (5,296 identification cards x 5% = 265 x \$8 = \$2,120).
8. Information Technology Services Division (ITSD) will need to hire a contractor to add reconfigure code in the statewide database. Modifications needed are adding a veteran characteristic to the customer record, modify the driver license, commercial driver license, and identification card screens to capture veteran status, and to modify the interface to the card production system to pass the veteran status.
9. It is estimated that these reconfigurations will take 50 hours at an hourly rate of \$110 totaling \$5,500 (50 x \$110 = \$5,500). This will be a one-time expenditure in FY 2014 and is funded 60% general and 40% state special revenue

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$65,500	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$40,500	\$0	\$0	\$0
State Special Revenue (02)	<u>\$25,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u><u>\$65,500</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Revenues:</u>				
General Fund (01)	\$47,745	\$47,745	\$0	\$0
State Special Revenue (02)	<u>\$4,375</u>	<u>\$4,375</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u><u>\$52,120</u></u>	<u><u>\$52,120</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$7,245	\$47,745	\$0	\$0
State Special Revenue (02)	(\$20,625)	\$4,375	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date