



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0047 - Revise commercial drivers license laws to comply with federal requirements (Manzella, Theresa)

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 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$105,579	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0

Description of fiscal impact: SB 47 has no fiscal impact to the Montana Department of Transportation (MDT) currently. However, if the bill is not passed into law there is a significant fiscal impact to MDT and the state of Montana due to noncompliance with federal regulations. This could result in millions of dollars in lost revenue. There would be some additional training and set-up costs to the Department of Justice in the first year.

FISCAL ANALYSIS

Assumptions:

Montana Department of Transportation

1. SB 47 addresses several non-compliance issues with new and existing Federal Motor Carrier Safety Administration (FMCSA) regulations related to Montana's Certified Driver License (CDL) program.
2. In accordance with 49 CFR §383.73(b)(11), (e)(9), and §384.230 the FMCSA imposed Entry Level Driver Training (ELDT) requirements on the Department of Justice (DOJ) Motor Vehicle Division (MVD) related to Montana's CDL Program. The ELDT compliance date was February 7, 2022.
3. In accordance with 49 CFR, the FMCSA imposed Drug and Alcohol Clearinghouse requirements on DOJ MVD related to Montana's CDL program referenced in 49 CFR §383.73 and §384.235. The Drug and Alcohol Clearinghouse compliance date is November 18, 2024.
4. Montana has received two letters from FMCSA outlining that ELDT noncompliance may result in decertification of Montana's CDL program and/or sanctions of up to 4% of the National Highway

Performance Program and the Surface Transportation Block Grant Program funds. The federal sanction amounts withheld in the first year would otherwise be apportioned under 23 U.S.C. §104(b)(1) and (2). Noncompliance sanctions in subsequent years may be increased up to 8%.

5. Based on FFY 2023 estimated apportionment of \$458 million, 4% or \$18.3 million could be withheld in FY 2023 and up to 8% or \$36.6 million (based on FFY apportionment) in subsequent years.
6. Similarly, Montana’s noncompliance with federal Drug and Alcohol Clearinghouse requirements could result in the same CDL decertification and/or federal funding sanctions.

Department of Justice

7. Motor Vehicle Division (MVD) assumes that the set-up in the Entry-Level Driver Training Provider Registry and the Commercial Drug and Alcohol Clearinghouse will take 8 hours at \$25.32 an hour (\$203).
8. MVD assumes that the current 92 examiners will need training in the Entry-Level Driver Training Provider Registry and the Commercial Drug and Alcohol Clearinghouse which will take 3 hours for each examiner with an average hourly wage of \$19.48 (\$5,376).
9. MVD assumes the Entry-Level Driver Training Provider Registry and the Commercial Drug and Alcohol Clearinghouse must be interfaced with the department’s information technology system at an additional cost of \$100,000. If interfacing can be included in the initial build of the IT system, no additional cost will occur.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$105,579	\$0	\$0	\$0
TOTAL Expenditures	<u>\$105,579</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$105,579	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$105,579</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$105,579	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

 _____ Sponsor's Initials	<u>11/31/22</u> _____ Date	 _____ Budget Director's Initials	<u>12-29-22</u> _____ Date
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