



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 Amended in Senate Committee

- | | | |
|---|--|--|
| <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

	FY 2024 Difference	FY 2025 Difference	FY 2026 Difference	FY 2027 Difference
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$300,000	\$300,000	\$304,500	\$309,068
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	\$0	\$0	\$0	\$0

Description of fiscal impact: SB 47, as amended, requires the Montana Department of Transportation to provide free commercial driver's license training, which creates an immediate and on-going fiscal impact to the department. SB 47 also 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. If the bill is not passed into law, the non-compliance issues could result in a significant fiscal impact to MDT and the state of Montana. There will be nominal costs to the Department of Justice for rulemaking.

FISCAL ANALYSIS

Assumptions:

Montana Department of Transportation

1. The Montana Department of Transportation assumes that it can train approximately 100 students per year.
2. The department calculates it will cost approximately \$3,000 per person for entry-level driver training. The total annual costs will be \$300,000 (100 students x \$3,000 in training costs = \$300,000).
3. These driver training costs have been inflated by 1.5% for fiscal years 2026 and 2027.

4. SB 47, as amended, 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.
5. 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.
6. 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.
7. 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%.
8. Based on the FFY 2023 estimated apportionment of \$458 million, 4% or \$18.3 million could be withheld in fiscal year 2023 and up to 8% or \$36.6 million (based on FFY apportionment) in subsequent years.
9. Similarly, Montana’s noncompliance with federal Drug and Alcohol Clearinghouse requirements could result in the same CDL decertification and/or federal funding sanctions.

	<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	\$300,000	\$300,000	\$304,500	\$309,068
TOTAL Expenditures	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$304,500</u>	<u>\$309,068</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$300,000	\$300,000	\$304,500	\$309,068
TOTAL Funding of Exp.	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$304,500</u>	<u>\$309,068</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)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$300,000)	(\$300,000)	(\$304,500)	(\$309,068)

Technical Notes:

1. With the passage of SB 47, there could be challenges in implementing 61-14-202 (4)(C), MCA, which requires the examiner for school bus driver endorsement candidates to have had a Commercial Driver's License issued within the last 10 years and to have two years of Montana school bus driving experience.
2. Currently, Montana schools are having a difficult time filling school bus driver positions. As a result, the Motor Vehicle Division expects to have a difficult time finding school bus drivers to become examiners.

NO SPONSOR SIGNATURE

Sponsor's Initials

3.31.23
Date



Budget Director's Initials

3-30-23
Date