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FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/16

SPONSOR Smith LAST UPDATED _____ HB _____

SHORT TITLE Annual Driver's License Renewal Age SB 156

ANALYST Malone

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
	\$2,200.0	\$600.0-\$700.0	Recurring	Various

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$5.0-\$10.0	\$0.0	\$0.0	\$5.0-\$10.0	Nonrecurring	MVD Operating

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 156 amends the Motor Vehicle Code to increase the age from 75 to 79 for an applicant to receive their driver's license or identification card at no cost and at which the expiration period is reduced. The reduced expiration period (currently one year) is extended to two years.

FISCAL IMPLICATIONS

There will be some budget impact to the Taxation and Revenue Department Information Technology Division, in the range of \$5 thousand to \$10 thousand. There will be some additional training required for MVD administrative and agency staff.

This bill would have a modest impact on revenues derived from license renewals by increasing the age at which applicants receive new licenses without charge. TRD anticipates the additional revenue would be \$2.2 million in FY17, but that amount will likely decrease in future years because the number of renewals will not be built up, as it is now.

OTHER ISSUES

TRD notes that it is not clear how current licenses that are scheduled to expire at ages 75-78 will be handled. Presumably, applicants will simply resume paying for a license issued up to 4 years.

ADMINISTRATIVE IMPLICATIONS

TRD notes that, if enacted, this bill will have a modest *positive* impact on the Motor Vehicle Division (MVD). The bill's provisions will reduce the demand for services at field offices for two reasons: 1) DL holders between the age of 75 and 78 will no longer have to renew their DL's annually and will be eligible for 4- or 8-year licenses for a longer period of time; and 2) this same age group will now have the option of renewing the DL by alternative means, including MVD's online system. At the same time, there will be a positive revenue impact because the drivers in this age group (75 to 79 years of age) will now have to pay for a DL.

CEM/al