

1 HOUSE BILL NO. 45

2 INTRODUCED BY TREXLER

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT ALL DRIVERS, NOT JUST THOSE WITH
5 COMMERCIAL LICENSES, BE NOTIFIED THAT THEIR LICENSE IS ABOUT TO EXPIRE; AND AMENDING
6 SECTION 61-5-111, MCA."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 Section 1. Section 61-5-111, MCA, is amended to read:

11 "61-5-111. **Renewals, expirations, and fees for licenses, permits, and endorsements -- notice of**
12 **expiration.** (1) The department may appoint county treasurers and other qualified officers to act as its
13 agents for the sale of driver's licenses receipts and shall make necessary rules governing sales. In areas in
14 which the department provides driver licensing services 3 days or more a week, the department is
15 responsible for sale of receipts and may, in its discretion, appoint an agent to sell receipts. The department,
16 upon receipt of payment of the fees specified in this section, shall issue a driver's license to each qualifying
17 applicant. The license must contain a full-face photograph of the licensee in the size and form prescribed
18 by the department; a distinguishing number issued to the licensee; the full name, date of birth, Montana
19 mailing address, and a brief description of the licensee; and either the licensee's signature or a digital
20 reproduction of the licensee's signature. A license is not valid until it is signed by the licensee.

21 (2) (a) When a person applies for renewal of a driver's license, the department shall test the
22 applicant's eyesight and, in the department's discretion, may have the applicant complete a road test
23 demonstrating the applicant's ability to operate and to exercise ordinary and reasonable care in the
24 operation of a motor vehicle.

25 (b) In the case of a commercial driver's license, the department may also require that the applicant
26 successfully complete a written examination as required by federal regulations.

27 (c) A person is considered to have applied for renewal of a Montana driver's license if the
28 application is made within 6 months before or 3 months after the expiration of the person's license.

29 (d) The department shall mail a driver's license renewal notice no earlier than ~~60~~ 90 days and no
30 later than ~~30~~ 60 days prior to the expiration date of a ~~commercial~~ driver's license if the licensee has

1 ~~previously submitted a written request for the notice, either at the time of initial application or of renewal~~
2 ~~of the license and may, upon renewal of the license, charge a driver's license renewal notice fee of not~~
3 ~~more than \$1 in addition to the fee charged under subsection (6). The renewal notice fee may be retained~~
4 ~~by the department and may be used to fund the costs of giving notice.~~

5 (3) (a) Except as provided in subsections (3)(b) and (3)(c), a license expires on the anniversary of
6 the licensee's birthday 8 years or less after the date of issue or on the licensee's 75th birthday, whichever
7 occurs first. The department may adopt rules to stagger the implementation of the conversion to an 8-year
8 license cycle over a 4-year period.

9 (b) A license issued to a person who is 75 years of age or older expires on the anniversary of the
10 licensee's birthday 4 years or less after the date of issue.

11 (c) A license issued to a person who is under 21 years of age expires on the licensee's 21st
12 birthday.

13 (4) Whenever the department issues an original license to a person under the age of 18 years, the
14 license must be designated and clearly marked as a "provisional license". Any license designated and
15 marked as provisional may be suspended by the department for a period of not more than 12 months when
16 its records disclose that the licensee, subsequent to the issuance of the license, has been guilty of careless
17 or negligent driving.

18 (5) It is unlawful for any person to have in the person's possession or under the person's control
19 more than one valid Montana driver's license at any one time. A license is not valid for the operation of a
20 motorcycle or quadricycle unless the holder of the license has completed the requirements of 61-5-110 and
21 the license has been clearly marked with the words "motorcycle endorsement". A license is not valid for
22 the operation of a commercial vehicle unless the holder of the license has completed the requirements of
23 61-5-110 and the license has been clearly marked with the words "commercial driver's license".

24 (6) Fees for driver's licenses are:

25 (a) driver's license, except a commercial driver's license -- \$4 per year or fraction of a year;

26 (b) motorcycle endorsement -- 50 cents per year or fraction of a year;

27 (c) commercial driver's license:

28 (i) interstate -- \$5 per year or fraction of a year;

29 (ii) intrastate -- \$3.50 per year or fraction of a year.

30 (7) The holder of a valid chauffeur's license may convert or renew the chauffeur's license to a

1 commercial driver's license by paying the appropriate fee and complying with the requirements established
2 by the department."

3 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0045, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring that all drivers, not just those with commercial licenses, be notified that their license is about to expire.

ASSUMPTIONS:

1. Effective October 1, 1997, the Department of Justice, Motor Vehicle Division would notify all drivers that their license is about to expire.
2. More than 139,400 driver's licenses are currently renewed annually, which at \$1.00 for a renewal notice fee would generate state special revenue (SSR) of approximately \$116,170 in fiscal 1998 and approximately \$139,400 in fiscal 1999 to be retained by the Department of Justice to fund the costs of giving notice.
3. Personal services and operating expenses would become effective July 1, 1997, due to requirements of the bill that notices be mailed 60 - 90 days prior to driver license expiration date.
4. A 0.50 FTE is needed in the Motor Vehicle Division to implement the bill. The 0.50 administrative support position (grade 7) would have an annual cost of \$10,908 in fiscal 1998 and \$10,908 in fiscal 1999 including benefits.
4. Annual operating expenses associated with the FTE would be \$3,000 for rent, supplies, telephone, and computer system communication expenses. Additional operating expenses for each renewal notice mailed include \$0.01 for pre-printed postcard, \$0.0125 for computer processing time, \$0.02 for printing and bursting cards, \$0.19 for postage, and \$0.10 for educational brochure with address change notification card to be given to each individual renewing their driver's license. Total operating expenses excluding one-time costs are estimated at \$49,350 in fiscal 1998 and \$49,350 in fiscal 1999.
5. Additional costs in the first year of operation include computer programming for \$4,775, installation of telephone and communications equipment at \$225, and a computer and office equipment at \$4,500. (One-time expenses incurred in fiscal 1998 are estimated to be operating expenses of \$5,000 and equipment expenses of \$4,500.)
6. The department would need to complete an analysis to determine the percentage of renewal notices undeliverable due to out-of-date addresses on file. However, based upon current information available, the department is estimating a rate of renewal notices returned as undeliverable at approximately 25 percent or approximately 29,000 renewal notices returned as undeliverable in fiscal 1998 and approximately 34,800 in fiscal 1999.

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
<u>Expenditures:</u>	<u>Difference</u>	<u>Difference</u>
FTE	0.50	0.50
Personal Services	10,908	10,908
Operating Expenses	54,350	49,350
Equipment	4,500	0
Debt Service	0	0
Total	69,758	60,258
 <u>Funding:</u>		
State Special Revenue (02)	69,758	60,258
 <u>Revenues:</u>		
New SSR Renewal Notice Fee	116,170	139,400
 <u>Net Impact:</u>	 46,412	 79,142

(Continued)

DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

CLIFF TRELXER, PRIMARY SPONSOR DATE

Fiscal Note for HB0045, as introduced

HB 45

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

No additional expenditures would be incurred by those counties collecting driver licensing fees.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Costs associated with providing renewal notices in subsequent biennia would approximate the \$1.00 fee estimate due to the effects of completion of the implementation of HB0248 passed by the 54th Legislature authorizing an 8-year driver's license and certain personal services costs remaining fixed.

DEDICATION OF REVENUE:

a) Are there persons or entities that benefit from this dedicated revenue that do not pay? (Please explain)

No

b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?

None

c) Is the source of revenue relevant to current use of the funds and adequate to fund the program/activity that is intended? Yes No (if no, explain)

d) Does the need for this state special revenue provision still exist? Yes No (Explain)

Revenue could be put into the general fund; no state special fund would be needed since a separate responsibility center could be used to account for revenues and expenditures.

e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please explain)

No, provided a separate responsibility center is utilized to account for revenues and expenditures.

f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please explain)

Yes, provides ability to fund expenditures related to HB 45.

g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)

It results in no accounting efficiencies. Revenue is dedicated to determine that costs of providing the services required in HB 45 are adequately covered. The monitoring could be accomplished within the general fund instead of a state special revenue account through the use of a separate responsibility center.