



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0904 - Generally revise commercial driver's license laws (Knudsen, Casey)

Status: As Amended in Senate Committee

- ☐ Significant Local Gov Impact
 ☒ Needs to be included in HB 2
 ☐ Technical Concerns
☐ Included in the Executive Budget
 ☐ Significant Long-Term Impacts
 ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<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>
Expenditures:				
General Fund	\$191,000	\$9,000	\$9,135	\$9,272
State Special Revenue	\$200,000	\$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:	<u>(\$191,000)</u>	<u>(\$9,000)</u>	<u>(\$9,135)</u>	<u>(\$9,272)</u>

Description of fiscal impact: HB 904, as amended, requires the Montana Department of Transportation (MDT) to provide free entry-level driver training for commercial driver's licenses that complies with federal requirements for class A and class B commercial driver's licenses, excluding endorsements in each Transportation Commission district. HB 904 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 HB 904 is not passed into law, there is a significant fiscal impact to MDT and the State of Montana. There is appropriated \$100,000 general fund to each the Department of Transportation and the Department of Justice for implementation of this bill.

ISCAL ANALYSIS

Assumptions:

Montana Department of Transportation (MDT)


- MDT will use existing staff and resources to offer CDL training.

2. MDT would only train for the Class A CDL and Class B CDL.
3. MDT assumes that it can train approximately 100 students per year.
4. MDT assumes classroom training would include either in-person or virtual classroom delivery method.
5. MDT calculates that it would cost approximately \$3,000 per person for classroom and vehicle time training. The total annual costs would be \$300,000 (100 students x \$3,000 in training costs = \$300,000).
6. HB 904 appropriates \$100,000 from the general fund in FY 2024 only. The appropriation does not extend into FY 2025 or future biennia. Costs above the general fund appropriation included in the bill would be funded with state special revenue. The state special revenue requires an appropriation.
7. 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's (DOJ) Motor Vehicle Division (MVD) related to Montana's CDL Program. The ELDT compliance date was February 7, 2022.
8. 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.
9. Based on federal FY 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 federal FY apportionment) in subsequent years.
10. Similarly, Montana's noncompliance with federal Drug and Alcohol Clearinghouse requirements could result in the same CDL decertification and/or federal funding sanctions.
11. There is a 1.5% inflation factor applied to FY 2026 and FY 2027.
12. MDT shall adopt administrative rules on or before January 1, 2024.

Department of Justice (DoJ)

13. The DoJ estimates there would be a one-time-only cost to update its information system in FY 2024 of \$6,000. The ongoing costs would be \$9,000 per year.
14. There is appropriated to the DoJ \$100,000 general fund in FY 2024. That would not be fully expended and would revert to the general fund.
15. There is a 1.5% inflation factor applied to FY's 2026 and 2027.

	<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>				
Personal Services - DoJ	\$9,000	\$9,000	\$9,135	\$9,272
Remainder of Approp - DoJ	\$76,000			
Operating Expenses - DoT	\$300,000	\$300,000	\$304,500	\$309,068
Operating Expenses - DoJ	\$6,000	\$0	\$0	\$0
TOTAL Expenditures	\$391,000	\$309,000	\$313,635	\$318,340
<u>Funding of Expenditures:</u>				
General Fund (01)	\$191,000	\$9,000	\$9,135	\$9,272
State Special Revenue (02)	\$200,000	\$300,000	\$304,500	\$309,068
TOTAL Funding of Exp.	\$391,000	\$309,000	\$313,635	\$318,340
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$191,000)	(\$9,000)	(\$9,135)	(\$9,272)
State Special Revenue (02)	(\$200,000)	(\$300,000)	(\$304,500)	(\$309,068)



 Sponsor's Initials

 Date



 Budget Director's Initials



 Date