



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

SB0487 - Generally revise motor vehicle laws (Vance, Shelley )

**Status:** As Introduced

- 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>
<b>Expenditures:</b>				
General Fund	unknown	unknown	unknown	unknown
State Special Revenue	unknown	unknown	unknown	unknown
<b>Revenue:</b>				
General Fund	unknown	unknown	unknown	unknown
State Special Revenue	unknown	unknown	unknown	unknown
<b>Net Impact-General Fund Balance:</b>	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>

**Description of fiscal impact:** SB 487 strikes certain fees for drivers' licenses and identification cards and enables the Department of Justice to set these fees via administrative rule to a level that is commensurate with the costs of providing the service. Future costs associated with these services and their impact on the fees assessed are unknown; therefore, the fiscal impact of the bill cannot be quantified.

### FISCAL ANALYSIS

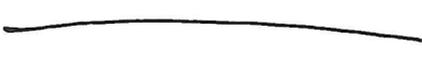
**Assumptions:**

- Under present law the fees for drivers' license, commercial drivers' licenses, identification cards and other fees associated with these licenses and identification cards, issued by the Motor Vehicle Division of the Montana Department of Justice, are set in statute.
- The principal action of SB 487 is to grant the Department of Justice authority set these fees by administrative rule and at levels commensurate with costs.
- SB 487 makes several other changes that generally clarify the application of current statute. These include:

- a. Expands the validity period of expired licenses from other jurisdictions to one year, for the purpose, acquiring a Montana drivers’ license without need to take the state’s written examination.
  - b. Clearly delineating that an individual may hold only one active (valid) drivers’ license, or a department issued identification card.
  - c. Clarifies the procedure when a court suspends or revokes a licensed individual’s drivers’ license eliminating the requirement to deliver the revoked or suspended license to the Department of Justice.
  - d. Changes the validity period identification cards to uniformly expire on the eighth birthday of the holder following the issuance of the identification card. Identification cards issued before the age of 21 currently are valid for 4 years.
4. The amendments to 61-5-107 (1),MCA, in Section 1, strike the “three attempts” language regarding examinations.
  5. The bill has no stated effective date, if SB 487 is passed and approved these changes would apply starting October 1, 2023.
  6. Most drivers’ license fee revenue is distributed to the general fund with small distributions to the Traffic Safety Education and the Motorcycle Safety Training state special funds. Additionally, there is a 3% department of justice administrative surcharge levied on all Title 61, MCA fees that flows to a department of Justice operation account.
  7. As the fees have not been set the change from present law revenues and expenditures is unknown.

**Technical Notes:**

1. Currently the Driver’s License Section at the Department of Justice is funded with approximately one-third state special revenue and two-thirds general fund. The Motor Vehicle Division is funded with approximately 40% general fund, 59.5% state special revenue, and .5% proprietary funds. The bill is unclear if the fees set commensurate with costs and collected are supposed to fund the Driver’s License Section, the Motor Vehicle Division, or include other costs of the department as well.
2. Without this clarification, the costs to be included in the commensurate with cost calculation cannot be determined. Therefore, the effect on general fund expenditures or revenue or state special revenue expenditures or revenues cannot be determined.

	3/1/23		3-1-23
<i>Sponsor’s Initials</i>	<i>Date</i>	<i>Budget Director’s Initials</i>	<i>Date</i>