

purposes. Persons issued a 4 year license would pay one-half the 8 year fee, and \$1.00 of the fee would be distributed to the local fiscal court for county roads. Sections 31 to 34 of the bill would make conforming amendments to KRS Chapter 281A, regarding commercial drivers' licenses, and would increase the fee for initial issuance and renewal of commercial drivers' licenses.

SB 245 SCS retains the original provisions of the bill and makes some minor changes to the bill as introduced. The Committee Substitute makes no changes to the bill relevant to fiscal impact on county fiscal courts.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

SB 245 SCS would have a moderate to substantial positive fiscal impact on county fiscal courts.

Under the bill, the amount distributed to county fiscal courts from fees paid for driver's license issuance or renewal would double, from \$.50 to \$2.00 for a license with an 8 year term, and from \$.50 to \$1.00 for a license with a 4 year term. According to the Kentucky Transportation Cabinet, in 2015 Kentucky issued 1,041,309 driver's licenses (including replacements, etc.). Under current law, with \$.50 of each fee going to county fiscal courts, fiscal courts were paid approximately \$520,000. The Transportation Cabinet projects that, under SB 245 SCS, from 2018-2021 both 4 and 8 year licenses would be issued, increasing revenue to the fiscal courts to approximately \$1.5 million, until 2029. After 2029, license renewals per year would drop to approximately 500,000, resulting in revenue to counties of approximately \$1 million.

Data Source(s): Transportation Cabinet; LRC Staff

Preparer: Mary Stephens **Reviewer:** JWN **Date:** 3/17/16