

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 777** HLS 26RS 363

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 15, 2026 3:48 PM	<b>Author:</b> MCMAKIN
<b>Dept./Agy.:</b> Department of Public Safety; Office of Motor Vehicles	<b>Analyst:</b> Katherine Granier
<b>Subject:</b> Driver's license knowledge examination for renewals	

MOTOR VEHICLES

OR +\$20,000 GF EX See Note

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Requires driver's license renewal knowledge examination

Proposed law provides for a mandatory driver's license renewal knowledge examination for Class "E" licenses. Proposed law eliminates the third-party tester requirement to provide certificates of examination successful completion. Proposed law requires the Department of Public Safety and Corrections (DPS&C), office of motor vehicles (OMV), or an authorized third-party to develop and administer the knowledge examination based on an assessment of driver's knowledge of traffic laws of the state, roadway signage and markings, and safe driving practices, including but not limited to distracted driving laws and emerging roadway conditions. Proposed law requires the driver to obtain a minimum of 80% on the knowledge examination prior to renewal of the license. Proposed law requires DPS&C, OMV, to implement a public education program prior to the effective date of the proposed law, including the availability of practice knowledge examinations and educational materials. Proposed law makes implementation of the public education component of the proposed law effective upon the signature of the governor and makes implementation of the renewal examination effective on January 1, 2028.

<b>EXPENDITURES</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	<b>\$20,000</b>	<b>\$54,000</b>	\$0	\$0	\$0	<b>\$74,000</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$20,000</b>	<b>\$54,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$74,000</b>

  

<b>REVENUES</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>SEE BELOW</b>					
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will increase SGF expenditures for OMV by \$74,000 incurred across multiple fiscal years as follows: FY 27 - \$20,000 for development and distribution of printed materials for the public awareness education campaign; FY 28 - \$54,000 for enhancements to the testing system, including creation of the proposed law knowledge exam in five languages. The total of \$74,000 expenditure is anticipated to be billed by the Office of Technology Services (OTS) to OMV, to be spread over multiple fiscal years to accommodate both public outreach and testing system enhancements.

**REVENUE EXPLANATION**

To the extent that a driver fails all three attempts and is unable to renew their license, the proposed law may result in a loss of renewal fee revenue for OMV. However, the LFO expects this to be a rare occurrence.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
**Deputy Fiscal Officer**