

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3437-01
Bill No.: HB 977
Subject: Licenses – Motor Vehicle; Law Enforcement Officers and Agencies; Revenue
Dept.
Type: Original
Date: February 24, 2004

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------|----------------|----------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| Highway Fund | (\$6,362) | \$2,313 | \$2,313 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | (\$6,362) | \$2,313 | \$2,313 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| Local Government | \$782 | \$938 | \$938 |

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation** assume this proposal would have no fiscal impact on their agency.

Officials with the **Department of Revenue (DOR)** assume this proposal could have fiscal impact on their agency. The **DOR- Division of Motor Vehicle and Drivers Bureau (DVSB)** cannot determine the exact number of plates that will be issued as a result of this legislation. Therefore, per advice from the organization, the revenue impact is based on the issuance of 250 plates. If the volume of applications for this plate type substantially exceeds 250, the department may require additional appropriations. There is a \$15 application fee for this plate and a \$25 emblem use contribution to be paid to the Missouri Association of State Troopers Emergency Relief Society (MASTERS).

FY 05 (10 months) Income

208 plates issued * \$15 plate fee \$3,120

FY 06 Income

250 plates issued * \$15 plate fee \$3,750

RK:LR:OD (12/02)

ASSUMPTION (continued)

FY 07 Income

250 plates issued * \$15 plate fee \$3,750

According to the Missouri Constitution, this revenue is to be dispersed in the following manner:

| | |
|-----------------|-----|
| State Road Fund | 75% |
| Cities | 15% |
| Counties | 10% |

DVSB notes that prior to 2002, specialty plates were developed, designed and provided to the DOR by the Missouri Vocational Enterprises. The Missouri Vocational Enterprises recently contracted with a vendor to now provide ALL Missouri specialty plates. The costs will be shown for all specialty license plate bills accordingly.

This contract requires DOR to pay:

- \$250 new plate design set-up fee (if applicable)
- \$50 per modification for a new plate design (if applicable)
- \$80 per revision to existing plate designs (if applicable)
- \$4.50 per plate for freight shipping to DOR

DOR further assumes their agency could incur cost for procedures, mailings to agencies, plates, tabs and storage at the State Data Center.

Officials with the **DOR- Information and Technology Bureau (ITB)** assume that implementing this proposal could require their current staff to provide 180 overtime programming hours to modify the special plate reservation program, the renewal pull program for fees and the Uniform Field Office System.

FY 05- Cost

| | |
|--|----------------|
| Form changes and Envelopes | \$661 |
| Postage to agencies | \$1,764 |
| Plate and Tab actual cost and tab cost | \$1,560 |
| Storage at State Data Center | \$500 |
| Programming Salaries | <u>\$4,221</u> |
| Total | \$8,706 |

RK:LR:OD (12/02)

ASSUMPTION (continued)

FY 06 Cost

| | |
|------------------------------|-------|
| Storage at State Data Center | \$500 |
|------------------------------|-------|

FY 07 Cost

| | |
|------------------------------|-------|
| Storage at State Data Center | \$500 |
|------------------------------|-------|

To implement this legislation, the DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including the DOR) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

This proposal could increase state revenue through plate fees.

| <u>FISCAL IMPACT - State Government</u> | FY 2005 (10 Mo.) | FY 2006 | FY 2007 |
|---|-------------------------|-----------------------|-----------------------|
| HIGHWAY FUND | | | |
| <u>Income-Department of Revenue</u> | | | |
| License Plate Fee | \$2,344 | \$2,813 | \$2,813 |
| <u>Cost-Department of Revenue</u> | | | |
| Forms and Postage | (\$2,425) | \$0 | \$0 |
| Programming salaries | (\$4,221) | \$0 | \$0 |
| Storage | (\$500) | (\$500) | (\$500) |
| Plates and Tabs | (\$1,560) | \$0 | \$0 |
| <u>Total Cost-DOR</u> | <u>(\$8,706)</u> | <u>(\$500)</u> | <u>(\$500)</u> |
| NET ESTIMATED EFFECT ON HIGHWAY FUND | <u>(\$6,362)</u> | <u>\$2,313</u> | <u>\$2,313</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2005 (10 Mo.) | FY 2006 | FY 2007 |
| <u>Income-Cities</u> | | | |
| License Plate Fee | \$469 | \$563 | \$563 |
| <u>Income-Counties</u> | | | |
| License Plate Fee | <u>\$313</u> | <u>\$375</u> | <u>\$375</u> |
| NET ESTIMATED EFFECT ON LOCAL FUNDS | <u>\$782</u> | <u>\$938</u> | <u>\$938</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act allows any vehicle owner that is a member of Missouri Association of State Troopers Emergency Relief Society (MASTERS) to obtain special license plates after making a \$25 annual emblem-use authorization payment and paying a \$15 fee to DOR in addition to the regular registration fees. This special license shall bear the emblem of MASTERS and the words "The


DESCRIPTION (continued)

MASTERS” in place of “SHOW-ME STATE”, be made of fully reflective material with a common color scheme, be clearly visible at night, and be aesthetically attractive.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 24, 2004