

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3489-01
Bill No.: HB 937
Subject: Licenses: Motor Vehicles; Motor Vehicles; Revenue Dept.
Type: Original
Date: February 5, 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	(\$9,399)	\$11,875	\$11,875
Total Estimated Net Effect on <u>Other</u> State Funds	(\$9,399)	\$11,875	\$11,875

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	\$3,438	\$4,125	\$4,125

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)- Division of Motor Vehicle and Drivers Bureau (DVSB)** did not respond to our fiscal impact request. However, in response to a substantially similar proposal from last year, DOR–DVSB assumed this legislation could have fiscal impact on their agency. The DVSB could not determine the number of plates that will be issued as a result of this legislation. With additional information from Optimist International, the revenue impact is based on the issuance of 1,100 (20% of the organization’s Missouri membership) plates. If the volume of applications for this plate type substantially exceeds 1,100, the department may require additional appropriations. There is a \$15 application fee for this plate.

ASSUMPTION (continued)

FY 05 (10 months) Income

917 plates issued* \$15 plate fee	\$13,751
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FY 06 Income

1,100 plates renewed* \$15 plate fee	\$16,500
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FY 07 Income

1,100 plates renewed* \$15 plate fee	\$16,500
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According to the Missouri Constitution, this revenue is to be dispersed in the following manner:

State Road Fund	75%
Cities	15%
Counties	10%

DVSB noted that prior to 2002, specialty plates were developed, designed and provided to DOR by the Missouri Vocational Enterprises. The Missouri Vocational Enterprises has since 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 assumed their agency could incur cost for procedures, mailings to agencies, plates, tabs and storage at the State Data Center. Their agency could need a Clerk Typist working overtime to process the additional application, however, **Oversight** assumes that DOR could absorb the additional workload.

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

ASSUMPTION (continued)

FY 05 Cost

Form changes and Envelopes	\$631
Plate Design (contractor)	\$250
Postage (1,100*\$4.50) and extra to agencies	\$7,246
Plates (1,100*\$5.40) and tab actual cost	\$6,864
Storage at State Data Center	\$500
Programming Salaries	<u>\$4,221</u>
Total	\$19,712

FY 06 Cost

Storage at State Data Center	\$500
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FY 07 Cost

Storage at State Data Center	\$500
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To implement this legislation, 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	\$10,313	\$12,375	\$12,375
<u>Cost-Department of Revenue</u>			
Forms and Postage	(\$8,127)	\$0	\$0
Programming salaries	(\$4,221)	\$0	\$0
Storage	(\$500)	(\$500)	(\$500)
Plates and Tabs	<u>(\$6,864)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost-DOR</u>	<u>(\$19,712)</u>	<u>(\$500)</u>	<u>(\$500)</u>
NET ESTIMATED EFFECT ON HIGHWAY FUND	<u>(\$9,399)</u>	<u>\$11,875</u>	<u>\$11,875</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<u>Income-Cities</u>			
License Plate Fee	\$2,063	\$2,475	\$2,475
<u>Income-Counties</u>			
License Plate Fee	<u>\$1,375</u>	<u>\$1,650</u>	<u>\$1,650</u>
NET ESTIMATED EFFECT ON LOCAL FUNDS	<u>\$3,438</u>	<u>\$4,125</u>	<u>\$4,125</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal could allow members of Optimist International to obtain a license plate bearing the organization's emblem. The members would pay a \$15 fee to DOR and pay an emblem usage fee of \$25 to their organization.

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 Transportation

Department of Revenue (DOR)- Division of Motor Vehicle and Drivers Bureau (DVSB)



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