

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4929-01
Bill No.: HB 1663
Subject: Licenses – Motor Vehicle; Motor Vehicles; Revenue Dept.
Type: Original
Date: April 20, 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	(\$10,093)	\$10,750	\$10,750
Total Estimated Net Effect on <u>Other</u> State Funds	(\$10,093)	\$10,750	\$10,750

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	\$3,125	\$3,750	\$3,750

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)** stated that officials with the **Department of Public Safety – Veterans Commission** informed them that approximately 30,000 potential applications would be eligible to receive the license plates authorized by this legislation. DVSB estimates for purposes of this fiscal note that of those individuals qualified for this plate, approximately 1,000 will apply. Therefore, the revenue impact is based on the issuance of 1,000 plates. If the volume of applications for this plate type substantially exceeds 1,000, the department may require additional appropriations. There is a \$15 application fee for these plates in addition to the registration fee.

ASSUMPTION (continued)

FY 05 (10 months) Income

833 plates issued * \$15 plate fee	\$12,500
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FY 06 Income

1,000 plates issued * \$15 plate fee	\$15,000
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FY 07 Income

1,000 plates issued * \$15 plate fee	\$15,000
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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 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

DVSB assumes that this act will require 1 Clerk Typist II to perform 67 hours of overtime to process these new types of plates. 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.

ASSUMPTION (continued)

FY 05- Cost

Form changes and Envelopes	\$758
Postage and extra to agencies	\$6,601
Plate and Tab actual cost	\$6,240
Storage at State Data Center	\$500
Salaries	<u>\$5,369</u>
Total	\$19,468

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, 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	\$9,375	\$11,250	\$11,250
<u>Cost-Department of Revenue</u>			
Forms and Postage	(\$7,359)	\$0	\$0
Salaries	(\$5,369)	\$0	\$0
Storage	(\$500)	(\$500)	(\$500)
Plates and Tabs	(\$6,240)	\$0	\$0
<u>Total Cost-DOR</u>	<u>(\$19,468)</u>	<u>(\$500)</u>	<u>(\$500)</u>
NET ESTIMATED EFFECT ON HIGHWAY FUND	<u>(\$10,093)</u>	<u>\$10,750</u>	<u>\$10,750</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2005 (10 Mo.)	 FY 2006	 FY 2007
<u>Income-Cities</u>			
License Plate Fee	\$1,875	\$2,250	\$2,250
<u>Income-Counties</u>			
License Plate Fee	<u>\$1,250</u>	<u>\$1,500</u>	<u>\$1,500</u>
NET ESTIMATED EFFECT ON LOCAL FUNDS	<u>\$3,125</u>	<u>\$3,750</u>	<u>\$3,750</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

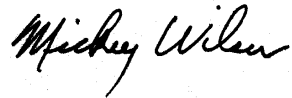
This act allows any vehicle owner that is an immediate family member of a member of the U.S. military who was a resident of Missouri and who was killed in the line duty to obtain special license plates after \$15 to the Director of Revenue in addition to the regular registration fees.

DESCRIPTION (continued)

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
April 20, 2004