

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0664-01
Bill No.: HB 147
Subject: Licenses – Motor Vehicles; Motor Vehicles; Revenue Dept.
Type: Original
Date: February 25, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$1,288,556	\$1,288,556	\$1,325,677
Total Estimated Net Effect on General Revenue Fund	\$1,288,556	\$1,288,556	\$1,325,677

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Public Safety – Missouri State Highway Patrol and Department of Transportation** assume this proposal would have no fiscal impact on their agencies.

Officials with the **Department of Revenue (DOR)** assume the provisions of this proposal require DOR to issue one license plate and tab when an individual registers a motor vehicle. This proposal does not address the issues regarding the license plates that have already been issued and whether or not these plates will be surrendered. For purposes of this fiscal note, DOR assumes that these plates will be surrendered.

DOR – Driver and Vehicle Services Bureau (DVSB)

DVSB, on average, annually orders 2,407,226 embossed and 130,319 flat plates. Currently, embossed plates cost \$1.37 per plate and flat plates cost \$4.25 per plate. The DOR will be required to order only one (1) plate instead of two (2). The Missouri Vocational Enterprise (Department of Corrections) has indicated that ordering less plates will increase the cost per plate by \$.43 for embossed and \$1.25 for flat plates. These plates are priced by the volume of plates ordered annually. The estimated annual savings for plates is \$973,304. The estimated savings for tabs is \$352,373.

RK:LR:OD (12/02)

ASSUMPTION (continued)

Total annual savings = \$1,325,677

DVSB will enclose an informational flyer with the applicant's renewal notice informing the applicant that only one plate and one tab is required and that one plate must be surrendered at the time of the renewal. For purposes of this fiscal analysis, DVSB assumes that it will have 2,500,000 flyers to send the first year and 2,500,000 to send the following year attributing this to biennial registrations. DVSB will incur costs in the amount of \$25,000 for FY06 and FY07 for the renewal flyers.

The DVSB will also incur costs, envelopes and postage in the amount of \$12,121 for FY06 and \$12,121 for FY07 to mail procedure changes to the field and reject letters to Missouri citizens.

DOR – Customer Assistance Bureau

It is anticipated that many customers will not have one plate with them at the time of the renewal transaction. Therefore, this will result in increased transaction time per customer to explain the need for the customer to return to their motor vehicle, remove and surrender the plate. It is anticipated that many customers will be adverse to the removal of the plate and state the plate has been lost or stolen and request to complete an affidavit of lost registration plate in lieu of the surrender requirement.

Officials from the **Office of Secretary of State (SOS)** assume the proposal may result in the Attorney General's Office rescinding, amending, or promulgating rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 9 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal is \$542 in FY 06 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE			
<u>Savings – DOR</u>			
Cost savings: plates and tabs	\$1,325,677	\$1,325,677	\$1,325,677
<u>Cost – DOR</u>			
Informational Flyers	(\$25,000)	(\$25,000)	\$0
Envelopes and Postage	(\$12,121)	(\$12,121)	\$0
Total Cost – DOR	(\$37,121)	(\$37,121)	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$1,288,556</u>	<u>\$1,288,556</u>	<u>\$1,325,677</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2006 (10 Mo.)	 FY 2007	 FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This legislation requires that only one license plate be issued for all motor vehicles. Currently, two plates are issued for motor vehicles excluding property-carrying commercial motor vehicles registered at a gross weight in excess of 12,000 pounds, passenger-carrying commercial motor vehicles, local transit buses, school buses, trailers, semitrailers, motorcycles, motortricycles, motorscooters, and driveaway vehicles.

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
Office of Secretary of State
Department of Public Safety
Missouri State Highway Patrol
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 25, 2005