

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3143-01
Bill No.: HB 1158
Subject: Licenses - Motor Vehicle; Revenue Department
Type: #Corrected
Date: March 15, 2006
#Corrected assumptions regarding Department of Revenue costs

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
#General Revenue	\$0	\$0	\$0
#Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Highway Fund	\$2,318	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$2,318	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$772	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** state there are approximately 2,055 Purple Heart Plate registrations. It is assumed that approximately 10% of these owners will apply for additional sets of plates (206). This proposal will require DOR to incur costs for additional plates/tabs and notifications costs (including postage) in the amount of \$2,210 for FY 2007 (General Revenue Fund) for the first year only. After the first year DOR does not anticipate an increase in applications for additional plates.

Assuming there is an increase in the number of purple heart applications as indicated above, there will be an increase in Highway/Cities/Counties funding as a result of the \$15 specialty plate fee. $\$15 \times 206 = \$3,091$. This increase would be only for the first year of implementation. After the first year, DOR does not anticipate an increase in applications for additional plates.

The increase in revenue by funds would be:

- \$2,318 = Highway funds (75%)
 - \$464 = Cities (15%)
 - \$309 = Counties (10%)
- \$3,091

RS:LR:OD (12/02)

ASSUMPTION (continued)

Oversight assumes DOR can absorb the costs estimated in the proposal within existing resources. However, the addition of similar proposals would cause DOR to request additional funding to cover the cumulative effect of the proposals.

<u>#FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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HIGHWAY FUND

Income - Department of Revenue

Additional Purple Heart specialty plate fees	<u>\$2,318</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT TO THE HIGHWAY FUND	<u>\$2,318</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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CITIES AND COUNTIES

Income - cities

15% of additional Purple Heart specialty plate fees	\$463	\$0	\$0
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Income - counties

10% of additional Purple Heart specialty plate fees	<u>\$309</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT TO CITIES AND COUNTIES	<u>\$772</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

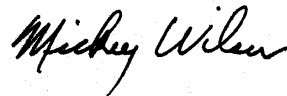
DESCRIPTION

This proposal removes the two set limit on Purple Heart license plates.

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

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

Mickey Wilson, CPA
Director
March 15, 2006