

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4009-02
Bill No.: HB 1396
Subject: Disabilities; Licenses - Motor Vehicle; Veterans
Type: Original
Date: March 14, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$12,798)	(\$12,798)	\$0
Total Estimated Net Effect on General Revenue Fund	(\$12,798)	(\$12,798)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Highway Funds	\$12,903	\$25,808	\$25,808
Total Estimated Net Effect on <u>Other</u> State Funds	\$12,903	\$25,808	\$25,808

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 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	\$4,302	\$8,603	\$8,603

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$1,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Revenue (DOR)** state Constitutional Amendment 3 (2004) authorizes 3% of highway funds to be used to offset the actual cost to collect such funds by the Department of Revenue.

For purposes of this fiscal note, the DOR assumes all costs will be appropriated from the general revenue fund. Through the appropriations process, the general assembly may appropriate the

ASSUMPTION (continued)

constitutionally permissible highway fund amount to offset the general revenue fund cost shown in this fiscal note.

DOR will need to modify specialty plate policies and procedures; and in addition will need to make programming changes to the Uniform Field Office System (UFOS) and the Personalized Plate Systems. The costs associated with the program changes for this proposal will be absorbed internally. However, the department will incur cost for forms, plates, postage and envelopes in the amount of \$12,798 in FY 2007 and again in FY 2008.

There are currently 22,939 members of the Disabled American Veterans organization. For purposes of this fiscal note, DOR assumed that 10% of the members will obtain the specialty plate in the next two fiscal years. Based on this assumption, 1,147 (5%) will obtain the specialty plate in FY07 and 1,147 (5%) will obtain the specialty plate in FY08 & FY09. One half of the revenue in FY 2008 will be from the additional 1,147 plates issued that year and the other half of the revenue in FY 2008 will be from the renewals of the plates issued in FY 2007.

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
1,147 x \$15 =	\$17,205	\$34,410	\$34,410
Highway (75%)	\$12,903	\$25,808	\$25,808
Cities (15%)	\$2,581	\$5,162	\$5,162
Counties (10%)	\$1,721	\$3,441	\$3,441

<u>FISCAL IMPACT - State Government</u>	<u>FY 2007</u> (10 Mo.)	<u>FY 2008</u>	<u>FY 2009</u>
GENERAL REVENUE			
<u>Costs</u> - Department of Revenue			
Plates, postage and envelopes for new Disabled American Veterans specialty plates	<u>(\$12,798)</u>	<u>(\$12,798)</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$12,798)</u>	<u>(\$12,798)</u>	<u>\$0</u>

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

<u>Income</u> - Department of Revenue \$15 specialty plate fee for Disabled American Veterans	<u>\$12,903</u>	<u>\$25,808</u>	<u>\$25,808</u>
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ESTIMATED NET EFFECT TO THE HIGHWAY FUNDS	<u>\$12,903</u>	<u>\$25,808</u>	<u>\$25,808</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

<u>Income to Cities</u> - Department of Revenue charges \$15 specialty plate fee for Disabled American Veterans	\$2,581	\$5,162	\$5,162
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<u>Income to Counties</u> - Department of Revenue charges \$15 specialty plate fee for Disabled American Veterans	<u>\$1,721</u>	<u>\$3,441</u>	<u>\$3,441</u>
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ESTIMATED NET EFFECT TO THE CITIES AND COUNTIES	<u>\$4,302</u>	<u>\$8,603</u>	<u>\$8,603</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 allows for a special license plate for members of the Disabled American Veterans.

To obtain this plate, individuals must possess a valid membership issued by the Disabled American Veterans and present to the Department of Revenue a current photo identification, a valid Disabled American Veterans membership card, and payment of a \$15 fee in addition to the registration fee and any other documents required by law. No additional fee will be charged for the personalization of the plate. The bill specifies the design of the plate.

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 the Secretary of State



Mickey Wilson, CPA
Director
March 14, 2006