

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4321-05
Bill No.: SCS for HCS for HB 1382 & 1158
Subject: Licenses – Motor Vehicle; Motor Vehicles; Revenue Department; Veterans
Type: Original
Date: April 18, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$12,798)	(\$12,798)	
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	\$16,634	\$29,172	\$29,172
Total Estimated Net Effect on <u>Other</u> State Funds	\$16,634	\$29,172	\$29,172

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 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	\$5,546	\$9,725	\$9,725

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Veterans Commission** and the **Office of the Secretary of State** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Revenue (DOR)** state this legislation removes the current limitation on the number of sets of plates that may be obtained for special military plates. It provides there shall be no limit on the number of sets of plates that a person can get if they qualify under the specific section.

DOR states 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, DOR assumes all costs will be appropriated from the general revenue fund. Through the appropriations process, the general assembly may appropriate the constitutionally permissible highway fund amount to offset the general revenue fund cost shown in this fiscal note.

DOR will need to modify specialty plate policy, procedures, and mail out notifications for the additional plates. The DOR assumes that these costs can be absorbed.

ASSUMPTION (continued)

The 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 operation will be absorbed. However, the DOR will incur costs from forms, plates, postage, and envelopes in the amount of \$12,798.

The “Some Gave All” specialty license plate proposal would have minimal impact on the DOR and can be implemented with no additional resources.

DOR assumes that 20% of the military plate applicants would obtain a second set of military plates and pay the \$15 specialty plate fee during fiscal year 2007. The projected revenue increase would be as noted below. For Purple Heart plates, only a 5% increase is expected as applicants can already obtain two sets of Purple Heart plates. Additionally, Purple Heart plate applicants only pay the \$15 specialty plate fee one time.

There are currently 3,485 military registrations with the specialty plates referenced in this bill. Of these, 1,989 are purple heart plate applicants and 1,496 are not Purple Heart registrations. DOR assumes an additional 99 purple heart plate applicants (1,989 x 5%) and an additional 299 (1,496 x 20%) non-Purple Heart plate applicants.

There are currently 22,939 members of the Disabled American Veterans organization. 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 and FY09.

	<u>FY07</u>	<u>FY08</u>	<u>FY09</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

DOR assumes an increase in the number of specialty plates of 398 (99 + 299), which correlates into increased revenue of \$5,970 (398 x \$15). For FY 2007 (10 months), DOR assumes income of \$4,975 (\$5,970 /12 x 10). This revenue is broken out between the State Highway Fund (75%),

ASSUMPTION (continued)

cities (15%) and counties (10%), or \$4,478 (75% x \$5,970) for the State, \$895 (15% x \$5,970) for cities and \$597 (10% x \$5,970).

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
GENERAL REVENUE FUND			
<u>Costs</u> – Department of Revenue			
Administrative Expenses	<u>(\$12,798)</u>	<u>(\$12,798)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$12,798)</u>	<u>(\$12,798)</u>	<u>\$0</u>
STATE HIGHWAY FUND			
<u>Revenues</u> – Department of Revenue			
Specialty Plate Fees	<u>\$16,634</u>	<u>\$29,172</u>	<u>\$29,172</u>
ESTIMATED NET EFFECT ON STATE HIGHWAY FUND	<u>\$16,634</u>	<u>\$29,172</u>	<u>\$29,172</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
CITIES AND COUNTIES			
<u>Revenues</u> – Department of Revenue Specialty Plate Fees-Cities’ portion	\$3,327	\$5,835	\$5,835
<u>Revenues</u> – Department of Revenue Specialty Plate Fees-Counties’ portion	<u>\$2,219</u>	<u>\$3,890</u>	<u>\$3,890</u>
ESTIMATED NET EFFECT ON CITIES AND COUNTIES	<u>\$5,546</u>	<u>\$9,725</u>	<u>\$9,725</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This legislation removes the one-set limit on special military license plates that may be issued to a qualified applicant. The legislation provides that, for certain special military license plates and future plates which may be authorized, there shall be no limit on the number of plates issued so long as each set of plates is issued for vehicles owned solely or jointly by the qualified person.

The legislation authorizes the creation of a Disabled American Veterans special license plate. 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. This provision is contained in SB 942 (2006).

The legislation allows parents or siblings who have an immediate family member die in the line of duty while serving in the U.S. Armed Forces to receive a specialized license plate. A \$25 contribution to the VFW Department of Missouri is required in addition to other registration fees. The plate shall bear the emblem of a five-pointed star and contain the words "SOME GAVE ALL."

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

MB:LR:OD (12/02)

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SOURCES OF INFORMATION

Department of Revenue
Office of the Secretary of State
Office of Veterans Affairs

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

Mickey Wilson, CPA
Director
April 18, 2006