

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0657-01  
Bill No.: HB 167  
Subject: Licenses - Motor Vehicle; Motor Vehicles; Revenue Department  
Type: Original  
Date: March 9, 2007

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Bill Summary: Requires that only one license plate be issued for all motor vehicles, except those with personalized plates, instead of the current two plates.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Highway Fund	\$0	\$1,189,093	\$1,200,984
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$1,189,093</b>	<b>\$1,200,984</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Office of the Director** and **Missouri State Highway Patrol, Department of Corrections - Missouri Vocational Enterprises**, and the **Department of Transportation** state there is no fiscal impact to their respective agencies.

Officials from the **Office of Secretary of State (SOS)** assume 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 to the SOS office for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Revenue (DOR)** indicate that the Customer Services Division will need to revise policies, procedures and update web information and the costs associated will be absorbed.

DOR provided the following estimate regarding revenue impact:

Plates - A six-year average was used to estimate the number of new license plates needed each year. The result is 2,327,276 embossed plates. With this proposed legislation, the amount would reduce to 1,322,378 embossed plates. Embossed plates are currently \$1.37 per plate. Missouri Vocational Enterprises (MVE) has indicated that ordering less plates will increase the cost per plate by \$.43. This proposed legislation excludes personalized plates; therefore, personalized plates would remain as sets (for purposes of this fiscal note, specialty plates, the majority of which are also personalized plates, were also excluded).

Tabs - A three-year average was used to estimate the number of month and year tabs. The result is 1,020,233 sets of month tabs, 3,406,800 sets of year tabs and 511,700 single tabs. With this proposed legislation, these amounts reduce to 575,383 month tabs and 2,280,366 year tabs. There will be a cost savings from issuing only one year and one month tab. Missouri Vocational Enterprises (MVE) has indicated that ordering less tabs will increase the cost per tab for the remaining order by \$.01 per month tab to \$.075 and that year tab costs will increase by \$.035 to \$.12 per tab.

ASSUMPTION (continued)

Based on DOR ordering only one (1) plate/tab instead of two (2) except for personalized plates and the increased cost per plate/tab, the following savings will be realized. Since DOR already issues one plate for commercial motor vehicles licensed in excess of 12,000 lbs, cycles, trailers and dealer plates, the costs for these plates will actually increase for those vehicle types. DOR assumes a 1% growth rate in plate volumes/savings for FY08.

	Quantity	FY 08	FY 09
Embossed Plates	1,322,378	\$816,170	\$824,332
**Year Tab	2,280,366	\$348,827	\$352,316
**Month Tab	575,383	<u>\$ 20,427</u>	<u>\$ 20,631</u>
Total Savings:		\$1,189,093	\$1,200,984

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>HIGHWAY FUND</b>			
<u>Savings</u> - DOR - Reduction in license plates and tabs issued	<u>\$0</u>	<u>\$1,189,093</u>	<u>\$1,200,984</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>\$0</u></b>	<b><u>\$1,189,093</u></b>	<b><u>\$1,200,984</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

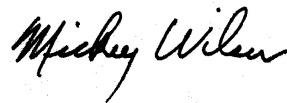
### FISCAL DESCRIPTION

This proposal requires that only one license plate be issued for all motor vehicles except those with personalized plates. 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  
Department of Transportation  
Office of Secretary of State  
    Administrative Rules Division  
Department of Public Safety  
    Office of the Director  
    Missouri State Highway Patrol  
Department of Corrections  
    Missouri Vocational Enterprises



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