

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0837-01
Bill No.: HB 1118
Subject: Licenses - Motor Vehicle: Motor Vehicles; Revenue Department
Type: Original
Date: April 10, 2007

Bill Summary: Requires issuance and display of a window sticker, in addition to license plate tabs, to demonstrate current motor vehicle registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$63,300)	(\$75,961)	(\$75,961)
Total Estimated Net Effect on General Revenue Fund	(\$63,300)	(\$75,961)	(\$75,961)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Highway Fund	\$1,614,169	\$1,937,005	\$1,937,005
Motor Vehicle Commission Fund	(\$4,401)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,609,768	\$1,937,005	\$1,937,005

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

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

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

☐ 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$538,055	\$645,668	\$645,668

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections - Missouri Vocational Enterprises**, **Department of Transportation**, and the **Department of Public Safety - Office of the Director** and **Missouri State Highway Patrol** 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)** assume the following costs and revenue resulting from this proposal:

ADMINISTRATIVE IMPACT

DOR will need to:

- Revise renewal notices to inform applicants about the window sticker provisions and revise appropriate procedures. There are no added costs for these revisions.
- Order window stickers for all vehicles except trailers and cycles and inventory them to offices. Based on research with another state, DOR assumes a cost of \$.25 for each window sticker.
- Notify all dealers (Motor Vehicle, Salvage, Leasing, Etc.) - \$4,401 in FY 08.

DOR assumes a new window sticker would need to be issued with each license plate transfer resulting in 303,844 additional stickers (at \$.25 each) for a yearly cost of \$75,961.

For purposes of this fiscal note, DOR assumes all costs will be appropriated from General Revenue. Through the appropriations process, the General Assembly may appropriate the

ASSUMPTION (continued)

constitutionally permissible Highway Fund amount to offset the General Revenue cost shown in this fiscal note.

DOR officials report that the **Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing existing resources of 1 existing CIT I for 2 month at a rate of \$4,546 and 2 existing CIT III's for 2 months for \$4,186 . However, if priorities shift and additional FTE/overtime would be needed to implement, the cost will be approximately \$25,836. They plan to use existing resources to implement this legislation.

REVENUE IMPACT

During FY 06, the DOR processed 303,844 license plate transfers. There will be an increase in revenue from the \$8.50 replacement window sticker fee the DOR must collect for each license plate that is transferred (in addition to the \$2 transfer fee) in the amount of \$2,582,674 per year distributed as follows:

	FY 08	FY 09 and FY 10
Highway Fund (75%):	\$1,614,169	\$1,937,005
Cities (15%):	\$ 322,833	\$ 387,401
Counties (10%):	<u>\$ 215,225</u>	<u>\$ 258,267</u>
Totals:	\$2,152,225	\$2,582,674

Potentially, the windshield sticker may deter "tab" theft resulting in an additional unknown increase in registration fees and state sales/use tax due to increased compliance. There will also be an unknown increase in revenue from "replacement" window stickers purchased due to the sticker being lost, stolen, or mutilated.

Oversight assumes those potential revenues resulting from decreased tab theft and replacement window stickers due to loss, theft, or mutilation would be minimal and have not assigned fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost</u> - DOR - Vehicle sticker costs	<u>(\$63,300)</u>	<u>(\$75,961)</u>	<u>(\$75,961)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$63,300)</u>	<u>(\$75,961)</u>	<u>\$75,961</u>
HIGHWAY FUND			
<u>Income</u> - Transfer fees	<u>\$1,614,169</u>	<u>\$1,937,005</u>	<u>\$1,937,005</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$1,614,169</u>	<u>\$1,937,005</u>	<u>\$1,937,005</u>
MOTOR VEHICLE COMMISSION FUND			
<u>Cost</u> - Notification Expenses	<u>(\$4,401)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON MOTOR VEHICLE COMMISSION FUND	<u>(\$4,401)</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2008 (10 Mo.)	 FY 2009	 FY 2010
POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities and Counties - Transfer Fees	<u>\$538,055</u>	<u>\$645,668</u>	<u>\$645,668</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$538,055</u>	<u>\$645,668</u>	<u>\$645,668</u>

FISCAL IMPACT - Small Business

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

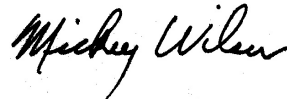
FISCAL DESCRIPTION

This proposal requires the issuance and display of a window sticker in addition to license plate tabs to demonstrate current motor vehicle registration.

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 Corrections
Missouri Vocational Enterprises
Department of Transportation
Department of Public Safety
Office of the Director
Missouri State Highway Patrol
Office of Secretary of State
Administrative Rules Division



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Director
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