

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1691-04  
Bill No.: HCS for HB 699  
Subject: Licenses - Motor Vehicle: Motor Vehicles; Revenue Department  
Type: Original  
Date: March 12, 2007

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Bill Summary: Revises various laws regarding the registration, licensure, and sale of motor vehicles.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$3,944	\$3,944	\$3,944
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$3,944</b>	<b>\$3,944</b>	<b>\$3,944</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Motor Vehicle Commission	(\$1,739)	\$0	\$0
Highway Fund	\$26,002 to \$36,002	\$26,002 to \$36,002	\$26,002 to \$36,003
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$24,263 to \$34,263</b>	<b>\$26,002 to \$36,002</b>	<b>\$26,002 to \$36,002</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 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 Insurance, Finance, and Professional Regulation, Department of Public Safety - Office of the Director and Missouri State Highway Patrol,** and the **Department of Transportation** state there is no fiscal impact to their respective agencies.

Officials from the **Department of Revenue (DOR)** state DOR will incur \$1,739 in paper costs to notify all dealers of the dealer licensure/plate related issues, sales contract issues, etc., at the time renewal instructions are sent out (no envelope or postage cost is required)

### §301.560

DOR assumes there will be an increase in plate revenue due to provisions that require DOR to issue (and the applicant to purchase) three plates for every registration (original plus two). This will require 514 motor vehicle dealers to purchase 744 additional dealer plates resulting in a revenue increase of \$7,812 and will require 62 boat dealers to purchase 84 additional certificates of number resulting in revenue increase of \$882.

DOR states they will see savings from ordering fewer dealer plates (\$28,190 - Highway Fund) and boat dealer certificates of number (\$3,062 - General Revenue). DOR further states there could be an unknown revenue impact due to dealers purchasing more or less plates and certificates of number due to basing quantities on sales. DOR does not expect this impact to be substantial, due to the "up front" plate and certificate purchase requirements.

### §301.170 & §301.177

DOR officials state the elimination of the non-resident permit and in transit permit will result in a \$10,700 loss to Highway Fund.

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 months at a rate of \$4,546 and 2 existing CIT III's for 2 months at a rate of \$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.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE</b>			
<u>Income</u> - DOR - Additional boat certificates of number (§301.560.6)	\$882	\$882	\$882
<u>Savings</u> - DOR - Fewer boat dealer certificates ordered (§310.560.6)	<u>\$3,062</u>	<u>\$3,062</u>	<u>\$3,062</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$3,944</u></b>	<b><u>\$3,944</u></b>	<b><u>\$3,944</u></b>
<b>MOTOR VEHICLE COMMISSION FUND</b>			
<u>Cost</u> - DOR - Dealer notification	<u>(\$1,739)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON MOTOR VEHICLE COMMISSION FUND</b>	<b><u>(\$1,739)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>HIGHWAY FUND</b>			
<u>Income</u> - DOR - Additional dealer plates issued (§301.560.6)	\$7,812	\$7,812	\$7,812
<u>Savings</u> - Fewer dealer plates ordered (§301.560.6)	\$28,190	\$28,190	\$28,190
<u>Loss</u> - Loss of income from sale of permit books to dealers (§301.170 & §310.177)	(Not expected to Exceed <u>\$10,000</u> )	(Not expected to Exceed <u>\$10,000</u> )	(Not expected to Exceed <u>\$10,000</u> )
<b>EXPECTED NET EFFECT ON HIGHWAY FUND</b>	<b><u>\$26,002 to</u> <b><u>\$36,002</u></b></b>	<b><u>\$26,002 to</u> <b><u>\$36,002</u></b></b>	<b><u>\$26,002 to</u> <b><u>\$36,002</u></b></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

Dealers may incur costs for surety bond increases.

FISCAL DESCRIPTION

IN TRANSIT PLACARDS §301.170

The provision which requires dealers to use an "In Transit" placard when moving a motor vehicle from one dealer to another or from the manufacturer is repealed.

TEMPORARY PERMITS §301.177

The provision which requires the issuance of temporary permits to nonresidents is repealed.

DEALER SURETY BONDS §301.560

The amount of the corporate surety bond which dealers are required to file is increased from \$25,000 to \$30,000.

APPLICATION REQUIREMENTS §301.560

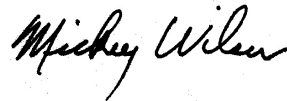
The number of additional plates a new motor vehicle manufacturer may hold will be limited to no more than 347. New applicants must estimate their first year sales for purposes of determining the quantity of additional plates they must purchase. New and used dealers are limited to one additional plate or certificate of number per 10-unit transactions annually.

The provisions in Section 301.560 regarding the number of additional plates a new motor vehicle manufacturer may hold become effective January 1, 2008.

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  
Department of Insurance, Finance, and Professional Regulation  
Department of Public Safety  
    Office of the Director  
    Missouri State Highway Patrol

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

Mickey Wilson, CPA  
Director  
March 12, 2007