

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3339-01
Bill No.: HB 1312
Subject: Licenses - Motor Vehicle: Motor Vehicles; Revenue Department
Type: Original
Date: January 15, 2008

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

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Highway Fund	\$1,652,057	(\$2,045,422)	\$959,913
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,652,057	(\$2,045,422)	\$959,913

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

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 for this proposal 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 that §301.130 requires applicants to pay for the cost of license plates during the license plate reissuance period in addition to regular registration fees. Accordingly, there will be a decrease in revenue of \$1.39 (cost per plate) to the Highway Fund for each applicant who purchases one plate pursuant to this proposed legislation instead of a set of plates. There will be a revenue loss of (\$3,388,714) in FY 09 (10 months) and a loss of (\$2,995,832) in FY 10.

DOR will begin a statutorily required license plate reissuance on June 16, 2008. DOR began ordering plates for the reissuance in January 2008. Issuing only one license plate will reduce the quantity of plates ordered by 3,287,964 during FY 09, resulting in savings to the Highway Fund totaling \$4,570,270 @ \$1.39 per plate.

Plate/Tab Savings - New Registrations - Issuing one plate for new registrations would reduce the amount of embossed plates currently ordered by 1,004,899 each year resulting in savings to Highway Fund as listed below. However, Missouri Vocational Enterprises (MVE) has indicated that ordering fewer plates will increase the cost per plate by \$.43 (from \$1.39 to \$1.82 per plate). Accordingly, since the department 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.

Tab Savings- Although there will be a cost savings to the Highway Fund from issuing only one year tab as outlined below, MVE has indicated that ordering less tabs will increase the cost per

ASSUMPTION (continued)

tab by \$.045 (from \$.085 to \$.13 per tab). No savings is shown for month tabs as these will no longer be used as license plates are issued.

Highway Fund	FY 09	FY 10	FY 11
Reissuance Plate Savings	\$4,570,270	\$ 0	\$ 0
New Registration Plate Savings	\$ 418,235*	\$ 844,834	\$853,282
Tab Savings	\$ 52,266*	\$ 105,576	\$106,631
Total Savings:	\$5,040,771	\$ 950,410	\$959,913
Less Revenue Loss	(\$3,388,714)	(\$2,995,832)	\$ 0
Net Savings	<u>\$1,652,057</u>	<u>(\$2,045,422)</u>	<u>\$959,913</u>

*The cost savings in FY09 will only be for 6 months as many of the plates/tabs will already be ordered/manufactured by the effective date of this proposal. A 1% growth rate is assumed in plate volumes/savings. Personalized and specialty plates are excluded from the one plate proposal.

Office of Administration Information Technology (ITSD DOR) estimates that this legislation could be implemented utilizing 3 existing CIT III for 2 months at a rate of \$12,558. ITSD DOR estimates the IT portion of this request can be accomplished within existing resources; however; if priorities shift, additional FTE/overtime would be needed to implement.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
HIGHWAY FUND			
<u>Savings</u> - Fewer reissuance plates, tab and new registration plates produced	\$5,040,771	\$950,410	\$959,913
<u>Loss</u> - Reduction in plate fees	<u>(\$3,388,714)</u>	<u>(\$2,995,832)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$1,652,057</u>	<u>(\$2,045,422)</u>	<u>\$959,913</u>

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

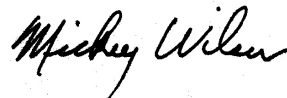
FISCAL DESCRIPTION

This proposed legislation 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, semi-trailers, motorcycles, motor tricycles, motor scooters, 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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