

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4364-01
Bill No.: HB 1656
Subject: Licenses - Motor Vehicles; Revenue Department
Type: Original
Date: February 15, 2010

Bill Summary: This proposal allows owners of property-carrying commercial vehicles to request and be issued two license plates for such vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$32,589)	(\$40,279)	(\$41,488)
Total Estimated Net Effect on General Revenue Fund	(\$32,589)	(\$40,279)	(\$41,488)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Highway Fund	\$256,378	\$307,654	\$307,654
Total Estimated Net Effect on <u>Other</u> State Funds	\$256,378	\$307,654	\$307,654

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$85,459	\$102,551	\$102,551

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections - Missouri Vocational Enterprises** state this proposed legislation will have no fiscal impact on their agency.

Officials from the **Department of Transportation** state their agency will concur with the response from Department of Revenue.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue (DOR)** assume procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11. The DOR website will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11. DOR estimated total cost for FTE in FY 11 to be \$1,023

Oversight assumes DOR could absorb the minimal costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR assumes the second plate will be ordered at the time of application if requested by the customer. The applicant will then be given one plate to use until the other plate is manufactured. The second plate will have a number 2 embossed on the plate to prohibit misuse of the plate.

There are currently 273,469 registered commercial motor vehicles in excess of 12,000 lbs. DOR assumes that 10%, or 27,347, of these registrants will want the second plate. The cost to the DOR for the second plate is \$1.43 with an overall cost to General Revenue of \$39,106 in FY 11, \$40,279 in FY 12, and \$41,488 in FY 13.

ASSUMPTION (continued)

In response to a proposal similar to or identical to this one in a previous session, the **OA-ITSD (DOR)** planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the department's driver license systems, changes cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$6,360 based on 240 FTE hours.

OA-ITSD (DOR) would need to update TRIPS to allow for the issuance of a second plate to commercial motor vehicles in excess of 12,000 lbs as well as charge the \$15 for that second plate.

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

By giving property-carrying commercial motor vehicle owners the ability to obtain two license plates instead of one and by charging \$15 for that plate there will be an increase in revenue to the Highway Fund.

- There are currently 273,469 registered commercial motor vehicle in excess of 12,000 lbs.
- DOR assume that 10%, or 27,347, of these registrants will want the second plate issued in FY 11 resulting in an increase in revenue of \$410,205 annually that is constitutionally distributed as follows:

75% - Highway Fund	\$	307,654
15% - Cities	\$	61,531
10% - Counties	\$	41,020

Oversight assumes the revenue generated in FY 11 would be for ten months and has adjusted the fiscal note accordingly.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Cost</u> - Department of Revenue - Plate cost	<u>(\$32,589)</u>	<u>(\$40,279)</u>	<u>(\$41,488)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$32,589)</u>	<u>(\$40,279)</u>	<u>(\$41,488)</u>
HIGHWAY FUND			
<u>Income</u> - Increase in fees	<u>\$256,378</u>	<u>\$307,654</u>	<u>\$307,654</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$256,378</u>	<u>\$307,654</u>	<u>\$307,654</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2011 (10 Mo.)	 FY 2012	 FY 2013
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities - Increase in fees	\$51,276	\$61,531	\$61,531
<u>Income</u> - Counties - Increase in fees	<u>\$34,183</u>	<u>\$41,020</u>	<u>\$41,020</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$85,459</u>	<u>\$102,551</u>	<u>\$102,551</u>
 <u>FISCAL IMPACT - Small Business</u>			

Small businesses with property-carrying vehicles would incur a cost if they elect to get the second license plate for their vehicles.

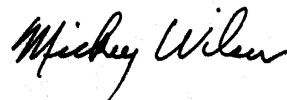
FISCAL DESCRIPTION

Under this proposed legislation, an applicant may receive two license plates for any property-carrying commercial vehicle, rather than the standard issuance of one plate, by paying an additional \$15 fee.

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 Corrections
Missouri Vocational Enterprises
Office of Secretary of State
Administrative Rules Division



Mickey Wilson, CPA
Director
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