

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4595-02
Bill No.: SB 528
Subject: Motor Vehicles; Licenses - Motor Vehicles; Revenue Department
Type: Original
Date: January 13, 2012

Bill Summary: This proposal allows motorist to obtain "I HAVE A DREAM" special license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Highway Fund	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
Martin Luther King Jr. State Celebration Commission Fund	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections** and **Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Joint Committee on Administrative Rules** state the proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the 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 for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from **Department of Transportation** and **Office of Administration** concur with the Department of Revenue regarding any possible fiscal impact from the proposal.

Officials from the **Department of Revenue (DOR)** stated in a response to a proposal similar to, or identical to, this one in a previous session indicated they planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within DOR's motor vehicle system, changes cannot be made without significant impact to DOR's resources and budget. Therefore, the fiscal impact is:

Section 301.473

DOR's Motor Vehicle Bureau (MVB) estimates procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Application for Missouri Personalized and Specialty License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management

ASSUMPTION (continued)

Analyst Specialist I, at a cost of \$1,182. The Department's web site 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 \$319. The Department would incur 20 overtime hours for a Revenue Processing Tech II to work with the organization on the design of the plate and finalizing the design of the plate at a cost of \$411.

The Department would incur 20 overtime hours for a Revenue Processing Tech II to set up the new specialty plate within MVB systems and testing at a cost of \$411.

The printing of flat plates has changed from Irwin Hodson to Missouri Vocational Enterprises (MVE); as a result the cost for the set-up of a new specialty plate has changed from previous years. The Department is charged \$215 for the initial set-up of a new specialty plate for passenger, truck, RV, disabled, and motorcycle plates. This is a one-time fee that will be charged upon passage of this proposal.

The Department pays \$3.50 per plate (\$7 per set of plates) for manufacturing flat plates through MVE. The number of applicants who will obtain this plate is unknown. Therefore the Department is assuming 200 applicants at a cost of \$1,167 (10 Months) in FY13, \$1,435 in FY14, and \$1,471 in FY15.

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to license offices once they have completed the manufacturing process through MVE. Assuming 200 applications are received, it would cost the Department \$93 in FY13 (10 Months), \$114 in FY14, and \$117 in FY15 to ship 200 sets of plates to license offices in various regions across the state.

Note:

The \$5.55 is an average cost to ship a box of 10 sets of plates to contract offices. The cost may decrease or increase based on the weight of the box, the area to which the box is being sent, and how many boxes are being sent at one time.

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them that their plates are ready for pickup at the respective license office. Assuming 200 are mailed it would cost the department \$86 in FY13 (10 Months), \$107 in FY14, and \$109 in FY15 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.45)

ASSUMPTION (continued)

In summary, DOR assumes a cost of \$5,067 in FY 2013, \$1,656 in FY 2014 and \$1,697 in FY 2015 for full time employees, plate set-up, manufacturing and mailings. The number of applicants who will wish to obtain this plate is unknown. However, for each 200 specialty plate applications received for the "I HAVE A DREAM" plate, there will be an increase in revenue each year of \$3,000 as a result of the \$15 specialty plate fee. As this proposal does not except those applicants from the personalization fee of \$15 set in Section 301.144, for each 200 specialty plate application received for the "I HAVE A DREAM" plate, there will be an increase in revenue each year of \$3,000 as a result of the \$15 specialty plate fee. These fees will be constitutionally distributed as follows:

	<u>FY 13 (10 MONTHS)</u>	<u>FY 14</u>	<u>FY 15</u>
75% -Highway Fund	\$3,750	\$4,500	\$4,500
15% - Cities	\$750	\$900	\$900
10% - Counties	\$500	\$600	\$600

Since it is unknown how many plate applications will be received for this plate, for fiscal note purposes only, Oversight will estimate revenue as: \$0 to Less than \$100,000. Oversight will also estimate cost to General Revenue as: \$0 to (Less than \$100,000). Oversight assumes an unknown amount of contributions received by the Martin Luther King Jr State Celebration Commission Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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GENERAL REVENUE

<u>Cost - Department of Revenue -</u>	\$0 or (Less than	\$0 or (Less than	\$0 or (Less than
<u>Processing costs for specialty plates</u>	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>

<u>ESTIMATED NET EFFECT ON</u>	<u>\$0 or (Less</u>	<u>\$0 or (Less</u>	<u>\$0 or (Less</u>
<u>GENERAL REVENUE</u>	<u>than \$100,000)</u>	<u>than \$100,000)</u>	<u>than \$100,000)</u>

FISCAL IMPACT - State Government
 (continued)

FY 2013
 (10 Mo.)

FY 2014

FY 2015

HIGHWAY FUND

Income - Specialty plate fees

\$0 or Less than
\$100,000

\$0 or Less than
\$100,000

\$0 or Less than
\$100,000

**ESTIMATED NET EFFECT ON
 HIGHWAY FUND**

**\$0 or Less than
\$100,000**

**\$0 or Less than
\$100,000**

**\$0 or Less than
\$100,000**

**MARTIN LUTHER KING JR STATE
 CELEBRATION COMMISSION
 FUND**

Income - Specialty plate fees

\$0 or Less than
\$100,000

\$0 or Less than
\$100,000

\$0 or Less than
\$100,000

**ESTIMATED NET EFFECT ON
 MARTIN LUTHER KING JR STATE
 CELEBRATION COMMISSION
 FUND**

**\$0 or Less than
\$100,000**

**\$0 or Less than
\$100,000**

**\$0 or Less than
\$100,000**

FISCAL IMPACT - Local Government

FY 2013
 (10 Mo.)

FY 2014

FY 2015

LOCAL POLITICAL SUBDIVISIONS

Income - Cities and Counties - Specialty
 plate fees

\$0 or Less than
\$100,000

\$0 or Less than
\$100,000

\$0 or Less than
\$100,000

**ESTIMATED NET EFFECT ON
 LOCAL POLITICAL SUBDIVISIONS**

**\$0 or Less than
\$100,000**

**\$0 or Less than
\$100,000**

**\$0 or Less than
\$100,000**

FISCAL IMPACT - Small Business

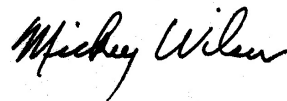
No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposed legislation allows motorists to obtain "I HAVE A DREAM" special license plates after making an annual contribution of \$25 to the Martin Luther King Jr. State Celebration Commission Fund. The act requires all contributions be credited to the Martin Luther King Jr. State Celebration Commission Fund. Monies in the fund shall be used for the sole purpose of funding appropriate activities for the recognition and celebration of Martin Luther King, Jr. Day in Missouri. Upon payment of the \$25 contribution to the Martin Luther King Jr. State Celebration Commission Fund, the payment of a \$15 fee in addition to regular registration fees, and the presentment of other legal documents, the director shall issue to the vehicle owner the "I HAVE A DREAM" special license plates. The proposal requires the director to consult with the Martin Luther King Jr. State Celebration Commission and the Office of Administration when formulating the design for the "I HAVE A DREAM" special license plate.

SOURCES OF INFORMATION

Department of Revenue
Department of Corrections
Department of Transportation
Office of the Secretary of State
Office of the State Treasurer
Office of Administration
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
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