

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5761-01
Bill No.: SB 767
Subject: Motor Vehicles; Licenses - Motor Vehicle; Military Affairs
Type: Original
Date: February 14, 2012

Bill Summary: This proposal allows recipients of Navy Cross medals to receive Navy Cross special license plates under certain conditions.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------------------------|------------------------------|------------------------------|
| General Revenue | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|----------------------------|----------------------------|----------------------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| Highway Fund | Less than \$100,000 | Less than \$100,000 | Less than \$100,000 |
| | | | |
| Total Estimated Net Effect on Other State Funds | Less than \$100,000 | Less than \$100,000 | 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 | Less than \$100,000 | Less than \$100,000 | Less than \$100,000 |

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **Department of Corrections** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Transportation (DHT)** did not respond to our request for fiscal impact. In response to a similar piece of legislation, the DHT assumed the proposal would not have a fiscal impact on their organization.

Section 301.4038

Officials from the **Department of Revenue (DOR)** 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 Military Personalized License Plates (DOR-4601) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management 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. Total cost to the DOR- MVB is \$3,505 in FY 2013.

ASSUMPTION (continued)

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 Department contacted the Missouri Veterans Commission for statistics on the Navy Cross military award. The Missouri Veterans Commission informed the Department that it does not maintain such Veteran data. The Department, through research, determined that the Navy Cross was awarded to 92 recipients who reside in Missouri. The 92 recipients who received the award were from the eras of World War II (85), Korea (1), Vietnam (1) and the War on Terror (5) to residents of Missouri who were living at the time of the award.

It is unclear as to how many of these recipients would apply for these license plates. The Department is assuming 20% (18) of these Navy Cross recipients would apply for these plates in FY 13 at cost to the Department of \$105 (10 Months) in FY 13, \$129 in FY 14, and \$132 in FY 15.

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 20% (18) of these Navy Cross recipients would apply for these plates in FY13 at cost the Department \$9 in FY 13 (10 Months), \$11 in FY14, and \$12 in FY15 to ship 18 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 their plates are ready for pickup at the respective license office. Assuming 20% (18) of these Navy Cross recipients would apply for these plates it would cost the Department \$8 in FY13 (10 Months), \$10 in FY14, and \$10 in FY15 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.45).

In summary, DOR assumes a cost of \$3,842 in FY 2013 (\$3,505 + \$215 + \$105 + \$9 + \$8), \$150 in FY 2014 (\$129 + \$ 11 + \$10) and \$154 in FY 2015 (\$132 + \$12 + \$10) for full time employees, plate set-up, manufacturing and mailings.

KC:LR:OD

ASSUMPTION (continued)

Department of Revenue assumes if 20% (18) of these Navy Cross recipients would apply for these plates, there will be an increase in revenue each year of \$270 as a result of the \$15 specialty plate fee. These fees will be constitutionally distributed as follows:

| | |
|-------------------|-------|
| 75% -Highway Fund | \$203 |
| 15% - Cities | \$40 |
| 10% - Counties | \$27 |

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service 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. Since it is unknown how many plate applications will be received for this plate, for fiscal note purposes only, Oversight will estimate revenue as: Less than \$100,000. Oversight will also estimate cost to General Revenue from manufacturing process as: (Less than \$100,000).

| <u>FISCAL IMPACT - State Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
|--|---|---|---|
| GENERAL REVENUE | | | |
| <u>Cost</u> - Department of Revenue - Processing costs for specialty plates | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) |
| HIGHWAY FUND | | | |
| <u>Income</u> - Specialty plate fees | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> |
| ESTIMATED NET EFFECT ON HIGHWAY FUND | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> | Less than <u>\$100,000</u> |

FISCAL IMPACT - Local Government

FY 2013
(10 Mo.)

FY 2014

FY 2015

LOCAL POLITICAL SUBDIVISIONS

Income - Cities and Counties - Specialty
plate fees

Less than
\$100,000

Less than
\$100,000

Less than
\$100,000

**ESTIMATED NET EFFECT ON
LOCAL POLITICAL SUBDIVISIONS**

**Less than
\$100,000**

**Less than
\$100,000**

**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 proposal allows recipients of Navy Cross medals to apply for and receive Navy Cross special license plates. Navy Cross recipients who desire Navy Cross special license plates must pay \$15 in addition to regular registration fees. The fee for personalizing such Navy Cross license plates is waived under the act.

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
Department of Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules

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

Mickey Wilson, CPA
Director
February 14, 2012