

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5761-04
Bill No.: SCS for SB Nos. 767, 653, 754, 705, 441, 528, 831, 833 & 847
Subject: Motor Vehicles; Licenses - Motor Vehicle; Military Affairs
Type: Original
Date: March 16, 2012

Bill Summary: Designates several highways and bridges and creates or modifies several special license plates.

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
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
Mo Public Health Services	\$0	\$0	\$0
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 13 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, Office of the State Treasurer and Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

Section 301.473

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 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).

In summary, DOR assumes a cost of \$5,066 in FY 2013 ($\$3,505 + \$215 + \$1,167 + \$93 + \86), \$1,656 in FY 2014 ($\$1,435 + \$114 + \107) and \$1,697 in FY 2015 ($\$1,471 + \$117 + \109) for full time employees, plate set-up, manufacturing and mailings in this section.

DOR states the number of applicants who will wish to obtain this plate is unknown. However, for each 200 Missouri Junior Golf Foundation specialty plate applications received, there will be an increase in revenue each year of \$3,000 as a result of the \$15 specialty plate fee that is constitutionally distributed as follows:

75% -Highway Fund	\$2,250
15% - Cities	\$450
10% - Counties	\$300

KC:LR:OD

ASSUMPTION (continued)

Section 301.3052

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).

ASSUMPTION (continued)

In summary, DOR assumes a cost of \$337 in FY 2013 (\$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 in this section.

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

Section 301.3084

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 change of the Breast Cancer Awareness plate will be considered a new design graphic as the design graphic of the plate is changing. The new design set-up includes passenger plates, RV plates, 6,000/18,000 lb truck plates, motorcycle plates, and disabled plates at a new set-up cost of \$215. This is a one-time fee that will be charged upon passage of this proposal in FY 13.

Officials from the **Department of Revenue - Information Technology - OA-ITSD (DOR)** state the Department's response to a similar proposal in prior years would have indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's motor vehicle legacy 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 \$2,120 calculated on 80 FTE hours.

In summary, DOR assumes a cost of \$2,335 (\$215 + \$2,120) in FY 2013 to provide for the implementation of the changes in this proposal in this section.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services** (DHSS) would receive the donations from sale of "Breast Cancer Awareness" license plate and registration fee which would be deposited into the Missouri Public Health Services Fund (MOPHS). The monies received would be utilized to pay health care providers for screening mammograms for women age 40 to 49 years who are uninsured and meet the income guidelines for the existing Show Me Healthy Women Program. DHSS estimate the funding would provide 159 screening mammograms at a cost of \$136.76 (current Medicare rate in Missouri) each for a total of \$21,745 per year (\$18,121 for FY 2013). DHSS will use the Show Me Healthy Women Program staff and administrative procedures and policies to pay for the annual screening mammograms.

Section 301.3165

Officials from the **Department of Revenue** state 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)

Officials from the **Department of Revenue - Information Technology - OA-ITSD (DOR)** state the Department's response to a similar proposal in prior years would have indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's motor vehicle legacy 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 \$2,120 calculated on 80 FTE hours.

In summary, DOR assumes a cost of \$3,681 in FY 2013 ($\$2,120 + \$215 + \$1,167 + \$93 + \86), \$1,656 in FY 2014 ($\$1,435 + \$114 + \107) and \$1,697 in FY 2015 ($\$1,471 + \$117 + \109) for full time employees, plate set-up, manufacturing and mailings in this section.

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 exempt 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:

75% -Highway Fund	<u>\$4,500</u>
15% - Cities	\$900
10% - Counties	\$600

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: \$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
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	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>
MARTIN LUTHER KING JR STATE CELEBRATION COMMISSION FUND			
<u>Income</u> - Specialty plate fees	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON MARTIN LUTHER KING JR STATE CELEBRATION COMMISSION FUND	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>

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

MISSOURI PUBLIC HEALTH SERVICES FUND

<u>Income</u> - Revenue from special license plate	Less than \$100,000	Less than \$100,000	Less than \$100,000
<u>Expense</u> - Show Me Healthy Women Program Administrative cost	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT TO THE MISSOURI PUBLIC HEALTH SERVICES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
---	-------------------	-------------------	-------------------

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

LOCAL POLITICAL SUBDIVISIONS

<u>Income</u> - 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 <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
---	---------------------------------------	---------------------------------------	---------------------------------------

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal designates several highways and creates numerous special license plates.

FISCAL DESCRIPTION (continued)

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 plates is waived.

This proposal designates a portion of Missouri Route 116 located in Clinton County as the "Sgt. Issac B. Jackson Memorial Highway". The Department of Transportation shall erect and maintain appropriate signs designating such highway, with the costs to be paid for by private donation.

This proposal designates a portion of Missouri Route 25 in Stoddard County from the city limits of Advance to one mile south of the city limits as the "Spc. James Burnett, Jr. Memorial Highway". The Department of Transportation shall erect and maintain appropriate signs designating such highway, with the costs to be paid for by private donation.

This proposal designates a portion of Highway 5 between the city of Ava and Mansfield as the "Missouri Fox Trotting Highway". The costs of such designation shall be paid for by private donation.

This proposal designates the pedestrian and bicycle path on the Heart of America Bridge in Kansas City as the "Bob Watts Memorial Bicycle & Pedestrian Bridge".

This proposal designates a portion of 64/40 in St. Charles County shall be designated the "Darrell B Roegner Memorial Highway". Costs for such designation shall be paid by private donations.

This proposal modifies the law with respect to the Breast Cancer Awareness Trust Fund and the issuance of Breast Cancer Awareness special license plates. Under the act, moneys transferred to the trust fund shall be distributed by the Director of Revenue to the Department of Health and Senior Services (current law directs it to the Friends of Missouri Women's Council). The proposal also modifies the Breast Cancer Awareness license plate statute by removing all references to the Missouri Women's Council. The proposal requires the \$25 annual contribution for the Breast Cancer Awareness license plate to be deposited in the Missouri Public Health Services Fund to support breast cancer awareness activities conducted by the Department of Health and Senior Services. This portion of the act is from SB 705 (2012)(Sections 143.1009 and 301.3084).

FISCAL DESCRIPTION (continued)

This proposal allows motorists to obtain Missouri Junior Golf Foundation special license plates. In order to obtain Missouri Junior Golf Foundation license plates, a motorist must pay a \$25 emblem-used contribution fee to the Missouri Junior Golf Foundation. After obtaining an emblem-use authorization statement from the Missouri Junior Golf Foundation, the motorist must pay a \$15 fee to the Department of Revenue in addition to regular registration fees. A motorist who was previously issued Missouri Junior Golf Foundation plates and who does not provide an emblem-use authorization statement at a subsequent time of registration will be issued new plates which do not bear the Missouri Junior Golf Foundation's emblem.

This proposal 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 proposal requires all contributions be credited to the Martin Luther King Jr. State Celebration Commission Fund. Moneys 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.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 5761-04
Bill No. SCS for SB Nos. 767, 653, 754, 705, 441, 528, 831, 833 & 847
Page 13 of 13
March 16, 2012

SOURCES OF INFORMATION

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



Mickey Wilson, CPA
Director
March 16, 2012