

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2225-01  
Bill No.: HB 1070  
Subject: Licenses - Motor Vehicle; Disabilities; Motor Vehicles  
Type: Original  
Date: April 24, 2019

---

Bill Summary: This proposal requires the Department of Revenue to establish a process that allows for online renewal of license plates and windshield placards for disabled persons.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$180,841) to (\$276,969)	(\$45,204) to (\$206,466)	(\$45,537) to (\$208,161)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$180,841) to (\$276,969)</b>	<b>(\$45,204) to (\$206,466)</b>	<b>(\$45,537) to (\$208,161)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	1 or 3 FTE	1 or 3 FTE	1 or 3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 or 3 FTE</b>	<b>1 or 3 FTE</b>	<b>1 or 3 FTE</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

#### Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update procedures, correspondence letters, and the Department website;
- Update the permanent disabled placard renewal notice;
- Update the Physicians Statement for Disabled Person Plates/Placards (DOR-1776);
- Update the Application for Disabled Person Placard (DOR-2769);
- Complete programming and user acceptance testing;
- Update administrative rules; and
- Train staff.

#### FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	600 hrs. @ \$18.42 per hr.	= \$11,052
Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
Administrative Office Support Asst.	15 hrs. @ \$13.78 per hr.	= \$ 207
Revenue Manager	80 hrs. @ \$20.59 per hr.	= \$ 1,647
Total		= \$13,104

#### FY 2020 - Personnel Services Bureau

Administrative Analyst III	20 hrs. @ \$19.80 per hr.	= \$ 396
----------------------------	---------------------------	----------

**Total Costs** **= \$13,500**

Currently, certain registrations that do not require supporting documentation are provided a PIN on the motor vehicle renewal notice to renew the registrations through the Department provided website applications, plates.mo.gov. Disabled license plates are currently available to renew through plates.mo.gov if a new physicians statement is not required under §301.142.

It is assumed the Department would create an electronic physicians statement website application that would allow the submission and electronic signature of a person authorized under §301.142 to submit the same information as currently required on the Physicians Statement for Disabled License Plates or Placards (DOR-1776).

ASSUMPTION (continued)

Administrative Impact (continued)

This information will be held within a database until the applicant renews their disabled license plate or placard through the Department's online renewal system. Upon entering the license plate number or placard number that is to be renewed, (this information will be required on the electronic physician's statement) the system will retrieve the applicable information allowing the applicant to complete the renewal of such license plate or placard.

DOR notes 225,297 disabled placards and 73,719 disabled license plates were issued in FY 2018.

FTE Requirement

Currently, permanent disabled placard applications and renewals are processed in the contract license offices through the work share program. Due to the potential influx of disabled placard renewals received online, one FTE in the form of a Revenue Processing Technician I will be required for processing of the renewals and mailing the new disabled placards to the applicant from the central office.

**Oversight** does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's costs for one FTE on the fiscal note. Oversight will not reflect the administrative costs indicated by DOR and assumes those costs can be absorbed with existing resources.

**DOR** notes OA-ITSD services will be required at a cost of \$229,392 (3,058.56 hours x \$75 per hour) in FY 2020.

**Oversight** notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the various systems. ITSD estimates the project would take 3,058.56 hours at a contract rate of \$75 per hour for a total cost to the state of \$229,392. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire two (2) additional IT Specialist to perform the work required from this bill ( $3,058.56 / 2,080 = 1.47$  - rounded to 2 FTE). Therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$229,392) to hiring two (2) additional FTE IT Specialist (roughly \$80,000 per year).

ASSUMPTION (continued)

Officials from the **Department of Transportation** defer to DOR for the fiscal impact of this proposal.

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 SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

**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 require additional resources.

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

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - DOR - ITSD costs (ranged from contracting out programming (\$229,392) to hiring one additional FTE IT Specialist) p. 4	(\$133,264) to (\$229,392)	\$0 to (\$161,262)	\$0 to (\$162,624)
FTE Change - OA-ITSD	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE
<u>Cost</u> - DOR p. 4			
Personal Services	(\$20,300)	(\$24,604)	(\$24,850)
Fringe Benefits	(\$16,695)	(\$20,109)	(\$20,184)
Expense and Equipment	(\$10,582)	(\$491)	(\$503)
<u>Total Costs</u> - DOR	(\$47,577)	(\$45,204)	(\$45,537)
FTE Change - DOR	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>(\$180,841) to (\$276,969)</b>	<b>(\$45,204) to (\$206,466)</b>	<b>(\$45,537) to (\$208,161)</b>
Estimated Net FTE Change to the General Revenue Fund	1 or 3 FTE	1 or 3 FTE	1 or 3 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

Contract license offices may see a decrease in processing fees collected due to online renewals for disabled placards processed in the central office as a result of this proposal.

FISCAL DESCRIPTION

This bill requires the Department of Revenue to establish an online process for the renewal of license plates and windshield placards for disabled persons. The website will allow confidential and secure transmission of any documents needed for renewal.

FISCAL DESCRIPTION (continued)

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 the Secretary of State  
Joint Committee on Administrative Rules



Kyle Rieman  
Director  
April 24, 2019

Ross Strobe  
Assistant Director  
April 24, 2019