

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3960-01
Bill No.: HB 1704
Subject: Licenses - Motor Vehicle; Department of Revenue
Type: Original
Date: January 21, 2020

Bill Summary: This proposal modifies provisions relating to special license plates for Boy Scouts of America.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§301.3139 - Boy Scouts of America Specialty License Plate

According to a report provided by the Department of Revenue, **Oversight** notes there are currently 200 different types of specialty license plate designs available in Missouri. From these 200 specialty license plates, there were 57,460 registrations as of September 16, 2019:

0 Registrations	Less than 100 Registrations	Less than 1,000 Registrations	More than 1,000 Registrations
47	84	54	15

For most designs, there is a \$15 initial fee to apply for each specialty license plate and a \$15 annual renewal fee. However, the following designs do not have the \$15 fee; Congressional Medal of Honor (§301.145, RSMo), Disabled Veteran (§301.071, RSMo), Former Prisoner of War (§301.443, RSMo), Purple Heart (§301.451, RSMo), Retired Military Air Force (§301.441, RSMo), Retired Military Army (§301.441, RSMo), Retired Military Coast Guard (§301.441, RSMo), Retired Military Marine (§301.441, RSMo), Retired Military Marine Corps League (§301.441, RSMo), Retired Military Merchant Marine (§301.441, RSMo), Retired Military National Guard (§301.441, RSMo), Retired Military Navy (§301.441, RSMo), and We Shall Not Forget (§301.3142, RSMo).

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 and the Department website;
- Update the Application for Missouri Military Personalized License Plate (DOR-4601);
- Communicate with the Boy Scouts of America Council for development of the license plate; and
- Complete programming and user acceptance testing for identified systems.

FY 2021 - Motor Vehicle Bureau

Management Analysis Spec I

240 hrs. @ \$18.42 per hr. = \$4,421

ASSUMPTION (continued)

Administrative Impact (continued)

FY 2021 - Strategy and Communications Office

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
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FY 2021 - General Services Bureau

Administrative Office Support Assistant	5 hrs. @ \$13.78 per hr.	= \$ 69
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Total Costs		= \$4,688
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Set-up cost:

The Department is charged **\$215** for the initial set-up, design, and programming for 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 bill in FY 2021

Plate manufacturing cost:

The Department pays \$3.75 per plate for manufacturing flat plates through Missouri Vocational Enterprises (MVE).

It is unknown how many applicants would apply for these license plates. The Department is assuming 200 applicants per year at a cost to the Department of **\$625** (10 months) in FY 2021 and **\$750** in FY 2022 and FY 2023.

Mailings:

It currently cost the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE.

The mailing cost will be **\$93** (10 months) in FY 2021 and **\$111** in FY 2022 and FY 2023.

Note: \$5.55 is an average cost, as the cost may decrease or increase based on the weight of the package, the area to which it 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.

ASSUMPTION (continued)

Administrative Impact (continued)

Assuming 200 applications per year at a cost of **\$103** (10 months) in FY 2021 and **\$123** in FY 2022 and FY 2023 for letters (\$0.025), envelopes (\$0.040), and postage (\$0.55).

OA-ITSD services will be required at a cost of **\$13,852** in FY 2021 (145.81 x \$95 per hour).

In summary DOR assumes a cost of **\$14,888** in FY 2021 (\$215 + \$625 + \$93 + \$103 + \$13,852) and **\$984** in FY 2022 and FY 2023 (\$750 + \$111 + \$123).

Revenue Impact

DOR notes this legislation will result in an increase in the \$15 specialty plate reservation fees collected. It is unknown how many applicants will elect to obtain a Boy Scouts of America specialty plate, but the increase should be minimal. \$15 specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

Oversight notes the Boy Scouts of America specialty license plate was first authorized in 2004 and additional revenues and costs were indicated in the fiscal note at that time. Oversight notes there are zero Boy Scouts of America specialty license plates issued as of September 16, 2019. Oversight notes this proposal removes the provision that the organization be required to submit a list of potential applicants for the specialty license plate. Oversight assumes there is no additional direct fiscal impact to DOR as a result of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2021 (10 Mo.)	 FY 2022	 FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, an organization is required to send a list of at least 200 potential applicants who plan to purchase a specialty plate before such a specialty plate will be issued. This bill removes this requirement for Boy Scouts of America specialty license plates.


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



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Ross Strobe
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January 21, 2020