

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4520-04
Bill No.: HCS for HB 2040
Subject: Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: March 4, 2020

Bill Summary: This proposal modifies provisions relating to special license plates for the Association of Missouri Electric Cooperatives.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$40,528)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$40,528)	\$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

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 (RSMo 301.145), Disabled Veteran (RSMo 301.071), Former Prisoner of War (RSMo 301.443), Purple Heart (RSMo 301.451), Retired Military Air Force (RSMo 301.441), Retired Military Army (RSMo 301.441), Retired Military Coast Guard (RSMo 301.441), Retired Military Marine (RSMo 301.441), Retired Military Marine Corps League (RSMo 301.441), Retired Military Merchant Marine (RSMo 301.441), Retired Military National Guard (RSMo 301.441), Retired Military Navy (RSMo 301.441), and We Shall Not Forget (RSMo 301.3142).

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 Personalized and Special License Plates (DOR-1716);
- Communicate with the Association of Missouri Electric Cooperatives 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

FY 2021 - Strategy and Communications Office

Administrative Analyst III 10 hrs. @ \$19.80 per hr. = \$ 198

ASSUMPTION (continued)

FY 2021 - General Services Bureau

Administrative Office Support Assistant 5 hrs. @ \$13.78 per hr. = \$ 69

Total Costs = **\$4,688**

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR- ITSD notes this bill would allow a personalized specialty plate registration in excess of 24,000 pounds to update and produce a renewal notice. The AMEC truck plates 18,000 to 80,000 will not be an annual registration; they will expire in December, be prorated monthly and will not have a grace period to February.

Changes would be:

- modify program DM50020 to allow weights for specific plate types; and
- modify program DM50040 to allow for 1 or 2 plates and for allowing heavy plates

DOR notes OA-ITSD services will be required at a cost of **\$40,528** in FY 2021 (426.6 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Revenue Impact

DOR notes this legislation will result in an unknown, but potentially minimal increase in the \$15 specialty plate reservation fees collected since more vehicles will be eligible for them. \$15 specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

Oversight assumes the increase in revenue will be minimal; therefore, Oversight will not reflect the potential increase on the fiscal note. Oversight notes the Association of Missouri Electric Cooperatives specialty license plate was authorized in 2019. As of February 3, 2020, there have been no plates issued. DOR still needs the \$5,000 fee and 200 applications before these plates can be issued.

Officials from the **Department of Transportation (MoDOT)** assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes that MoDOT has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for MoDOT.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Cost - DOR - OA-ITSD services</u>	<u>(\$40,528)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$40,528)</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, the Association of Missouri Electric Cooperatives authorizes the use of its official lineman image emblem to be used on personalized license plates, except for license plates for an apportioned motor vehicle or commercial motor vehicle licensed in excess of 24,000 pounds gross weight.

This bill removes that exception.

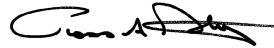
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation



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March 4, 2020



Ross Strobe
Assistant Director
March 4, 2020