COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

FISCAL NOTE

<u>L.R. No.</u>: 5034-01 <u>Bill No.</u>: HB 2249

Subject: Motor Vehicles; Licenses - Motor Vehicle; Roads and Highways; Veterans

<u>Type</u>: Original

Date: February 3, 2020

Bill Summary: This proposal establishes a special license plate for persons who have been

awarded a Meritorious Service Medal.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND					
FUND AFFECTED	FY 2021	FY 2022	FY 2023		
General Revenue	(\$9,245)	(\$984)	(\$984)		
Total Estimated Net Effect on General Revenue (\$9,245) (\$984) (\$98					

ESTIMATED NET EFFECT ON OTHER STATE FUNDS					
FUND AFFECTED	FY 2021	FY 2022	FY 2023		
Highway Fund	\$1,875	\$2,250	\$2,250		
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,875	\$2,250	\$2,250		

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

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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.

FUND AFFECTED FY 2021 FY 2022 FY 2020				
FUND AFFECTED Local Government	FY 2023			

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	Less than 1,000	More than 1,000
	Registrations	Registrations	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 (RSMo 301.441), Retired Military National Guard (RSMo 301.441), Retired Military National Guard (RSMo 301.441), Retired Military National Guard (RSMo 301.441), Retired Military Naty (RSMo 301.441), and We Shall Not Forget (RSMo 301.3142).

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

<u>Administrative Impact</u>

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);
- Develop the license plate design; 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

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<u>ASSUMPTION</u> (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.

Set-up cost

DOR notes 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.

OA-ITSD services will be required at a cost of \$8,209 in FY 2021 (86.4 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 increase in the \$15 specialty plate reservation fees collected. It is unknown how many eligible applicants reside in the State of Missouri and will elect to obtain a Meritorious Service Medal specialty plate, but the increase should be minimal. \$15 specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

Oversight assumes, based on DOR's assumptions for costs associated with the specialty plates, 200 applicants may choose to receive this specialty plate, resulting in \$3,000 per year in revenue.

	FY 2021 (10 Mos.)	FY 2022	FY 2023
Highway Fund	\$1,875	\$2,250	\$2,250
Cities	\$375	\$450	\$450
Counties	\$250	\$300	\$300

Source: Oversight

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ASSUMPTION (continued)

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

FISCAL IMPACT - State Government GENERAL REVENUE FUND	FY 2021 (10 Mo.)	FY 2022	FY 2023
	(0.40)	(4-70)	(4==0)
Cost - plate set-up & manufacturing p. 4	(\$840)	(\$750)	(\$750)
<u>Cost</u> - mailing p. 4	(\$93)	(\$111)	(\$111)
Cost - postage p. 5	(\$103)	(\$123)	(\$123)
Cost - OA-ITSD p. 5	(\$8,209)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$9,245)</u>	<u>(\$984)</u>	<u>(\$984)</u>
HIGHWAY FUND			
Revenue - specialty plate fees p. 5	<u>\$1,875</u>	<u>\$2,250</u>	\$2,250
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>\$1,875</u>	<u>\$2,250</u>	<u>\$2,250</u>
FISCAL IMPACT - Local Government LOCAL POLITICAL SUBDIVISIONS	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL FOLITICAL SUBDIVISIONS			
Revenue - Cities (15%) - specialty plate fees p. 5	\$375	\$450	\$450
Revenue - Counties (10%) - specialty plate fees p. 5	<u>\$250</u>	\$300	\$300
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$625</u>	<u>\$750</u>	<u>\$750</u>

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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill authorizes a special license plate for any recipient of the Meritorious Service Medal and provides proof as required by the Department of Revenue. The license plate will require an additional fee equal to the fee charged for personalized license plates. The plates will bear an image of the of the Meritorious Service Medal with the words "MERITORIOUS SERVICE" in place of the words "SHOW-ME STATE".

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

Julie Morff
Director

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Ross Strope Assistant Director February 3, 2020