

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1418H.01I
Bill No.: HB 569
Subject: Motor Vehicles; Licenses - Motor Vehicle; Roads and Highways; Veterans
Type: Original
Date: February 1, 2021

Bill Summary: This proposal establishes a special license plate for cancer awareness.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$21,752)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$21,752)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Missouri Public Health Services Fund	\$9,300	\$18,600	\$18,600
Total Estimated Net Effect on <u>Other</u> State Funds	\$9,300	\$18,600	\$18,600

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

According to a report provided by the Department of Revenue, **Oversight** notes there are currently 207 different types of specialty license plate designs available in Missouri. From these 207 specialty license plates, there were 63,910 registrations as of February 3, 2020:

0 Registrations	Less than 100 Registrations	Less than 1,000 Registrations	More than 1,000 Registrations
48	91	52	16

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 from 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 Plate (DOR-1716);
- Communicate with the Negro Leagues Baseball Museum for development of the license plate; and
- Complete programming and user acceptance testing for identified systems.

FY 2022 – Motor Vehicle Bureau

Associate Research/Data Analyst 240 hrs. @ \$18.50 per hr. = \$4,440

FY 2022 – Strategy and Communications Office

Associate Research/Data Analyst 10 hrs. @ \$18.50 per hr. = \$ 185

FY 2022 – General Services Bureau

Lead Administrative Support Assistant 5 hrs. @ \$14.54 per hr. = \$ 73

Total Costs = **\$4,698**

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

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 2022.

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 2022 and **\$750** in FY 2023 and FY 2024.

Mailings

It currently costs 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 2022 and **\$111** in FY 2023 and FY 2024.

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.

Assuming 200 applications per year at a cost of **\$110** (10 months) in FY 2022 and **\$132** in FY 2023 and FY 2024 for letters (\$0.038), envelopes (\$0.068), and postage (\$0.55).

DOR notes OA-ITSD services will be required at a cost of **\$21,752** in FY 2022 (228.97 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.

Officials from the **Department of Health and Senior Services (DHSS)** assume the following regarding this proposal:

Section 301.3083 of the proposed legislation would create a new specialty license plate for promoting cancer awareness, with a \$25 annual donation provided to the Department of Health and Senior Services to fund cancer awareness activities as a requirement to register for the plate. Based on the history of state revenue gained through specialty license plates, DHSS will not have to change its staffing or how it implements current cancer awareness activities.

Two specialty license plates relating to public health are currently available through the Department of Revenue. As of the most recent data publicly released by the Department of Revenue, the Breast Cancer Awareness plate has been issued to 1,004 vehicles and the Be an Organ Donor plate has been issued to 483 vehicles. The department assumes that this is the range of possible interest for a Cancer Awareness specialty plate, and therefore assumes an average of 744 plates would be requested. As the required donation is \$25, the estimated total revenue would be \$18,600. The proposed legislation specifies that revenue would be deposited in the Missouri public health services fund (MOPHS fund).

Because license plates expire every two years, DHSS assumes that half of the total number of applications for a Cancer Awareness specialty plate will be received the first year of implementation, with the remaining applications being made in the second year of implementation with continuous donations being made in subsequent fiscal years.

Oversight does not have information to the contrary and therefore, Oversight will reflect the revenue estimates as provided by DHSS.

Officials from the **Missouri Department of Transportation** and **Office of the State Treasurer** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000.

The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they 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, they 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Cost – DOR – OA- ITSD services</u>	<u>(\$21,752)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$21,752)</u>	<u>\$0</u>	<u>\$0</u>
MISSOURI PUBLIC HEALTH SERVICES FUND (0298)			
<u>Revenue – DHSS - \$25 annual fee/contribution per specialty plate</u>	<u>\$9,300</u>	<u>\$18,600</u>	<u>\$18,600</u>
ESTIMATED NET EFFECT ON THE MISSOURI PUBLIC HEALTH SERVICES FUND	<u>\$9,300</u>	<u>\$18,600</u>	<u>\$18,600</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

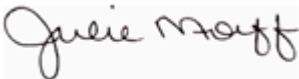
FISCAL DESCRIPTION

This bill allows for the issuance of a "cancer awareness" specialty license plate upon the annual payment of a \$25 contribution to support cancer awareness activities conducted by the Department of Health and Senior Services, in addition to the \$15 registration fee.

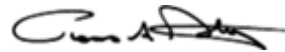
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Health and Senior Services
Office of the State Treasurer
Missouri Department of Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
February 1, 2021



Ross Strobe
Assistant Director
February 1, 2021