

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0691H.02I  
Bill No.: HB 127  
Subject: Licenses - Motor Vehicle; Motor Vehicles; Department of Revenue; Disabilities  
Type: Original  
Date: January 26, 2025

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Bill Summary: This proposal modifies provisions relating to the issuance and renewal of license plates and placards for persons with disabilities.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$32,007)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$32,007)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§301.142 – License Plates and Placards for Persons with Disabilities**

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

#### **Administrative Impact**

To implement the proposed changes, the Department will:

- Update procedures, manuals, Department website, and correspondence letters;
- Update Department system(s); and
- Train staff.

#### **FY 2026 – MVB Systems Analysis Support**

Associate Research/Data Analyst 107 hrs. @ \$26.03/hr. =\$2,785

Research/Data Analyst 27 hrs. @ \$27.87/hr. =\$752

Administrative Manager 14 hrs. @ \$35.10/hr. =\$491

#### **FY 2026 – Strategy and Communications Office**

Associate Research/Data Analyst 40 hrs. @ \$26.03/hr. =\$1,041

Research/Data Analyst 10 hrs. @ \$27.87/hr. =\$279

**Total Cost = \$5,348**

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. If multiple bills are passed that require department resources, FTE may be requested through the appropriations process.

**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** also notes OA-ITSD services will be required at a cost of **\$29,757** in FY 2026 (283.40 hours x \$105 per hour).

#### **FUSION Impact**

Implementation: 10 hrs. @\$225/hr. = **\$2,250**

The fiscal impact estimated above is based on changes in the current Department's Motor Vehicle system environment. The implementation of this legislation will be coordinated with the integration of the Department's Motor Vehicle and Driver Licensing software system approved and passed by the General assembly in 2020 (SB 176). To avoid duplicative technology development and associated costs to the state, it is recommended a delayed effective date be added to this bill to correlate with the installation of the new system.

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

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Cost – DOR – OA-ITSD services</u>	(\$29,757)	\$0	\$0
<u>Cost – DOR – FUSION implementation consultants</u>	(\$2,250)	\$0	\$0
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>(\$32,007)</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

#### FISCAL IMPACT – Small Business

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

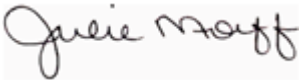
#### FISCAL DESCRIPTION

This bill increases the renewal period for removable windshield disability placards from four years to eight years and requires that the Department of Revenue automatically renew current valid disabled placards for eight years or for the duration that correlates with the disabled person's current physician's statement expiration date, until all permanent disabled placards are on an eight-year renewal cycle.

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



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January 26, 2025



Jessica Harris  
Assistant Director  
January 26, 2025