

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3231-05  
Bill No.: SCS for HB 1093, 1094, 1159, 1204, 1242, 1272, 1391, 1397, 1411, 1624, 1632, 1714, 1755, 1778, 1779, 1852, 1862, 2052 & 2123  
Subject: Motor Vehicles; Licenses- Motor Vehicle; Revenue Dept.  
Type: Original  
Date: April 17, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Highway Funds	(\$13,385)	\$186,098	\$189,668
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$13,385)</b>	<b>\$186,098</b>	<b>\$189,668</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Funds	\$51,500	\$62,738	\$64,613
<b>Local Government</b>	<b>\$51,500</b>	<b>\$62,738</b>	<b>\$64,613</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 9 pages.

**FISCAL ANALYSIS**

ASSUMPTION

Officials with the **Department of Revenue (DOR)- Motor Vehicle Bureau (MVB)** assume that this proposal creates thirty new license plate types to be known as 4-H, MO-AG Businesses, Rotary International, Hearing Impaired Kids Endowment Fund, Inc., Missouri Women’s Council (Breast Cancer Awareness), Delta Sigma Theta, Omega Psi Phi, Prevent Disasters in Missouri, Coroner’s and Medical Examiners, Friends of Arrow Rock, Eagle Scout, Tribe of Mic-O-Say, Order of the Arrow, Square and Round Dance Clubs, God Bless America, Kingdom of Calontir, Missouri Civil War Reenactors Association, MO-KS-NE Teamsters, St. Louis College of Pharmacy, MO Fraternal Order of Police, Kappa Alpha Psi, Iota Phi Theta, Sigma Gamma Rho, Alpha Phi Alpha, Alpha Kappa Alpha, Zeta Phi Beta, Phi Beta Sigma, Jefferson National Parks Association, Missouri Elks Association, and Missouri Travel Council. This proposal also creates new categories in the existing Conservation speciality plates by increasing the weight limit to 18,000 pounds.

MVB would require the services of one (1) Clerk Typist II’s for 1,318 hours of overtime for FY03. It is also assumed that an additional 20 hours of overtime for FY04 and 40 hours of overtime for FY05, to process the additional Jefferson National Parks Association plate applications. The Clerk Typist II’s responsibilities will include, editing, correspondence, validation, key entry, telephone and customer walk-in assistance.

**Oversight** assumes the overtime cost associated with the additional Jefferson National Parks Association special plate would be minimal and could be absorbed from existing resources. If the volume of new special license plates exceeds anticipated levels, additional funding could be requested through the existing budget process.

In addition, the MVB could incur the following expenses:

FY 03

Policy, forms and postage	\$36,456
Plates and Tabs	\$110,994

FY 04

Forms and Postage	\$545
Plates and Tabs	\$1,570

FY 05

Forms and Postage	\$1,030
Plates and tabs (FY05)	\$3,140

ASSUMPTION (continued)

If highway funds are not available, then another source of funding must be identified to pay for

the cost of implementing this legislation.

### Revenue Impact

#### CONSERVATION PLATE (Existing Plate)

This proposal increases the weight limit for vehicles that can apply for Conservation Heritage specialty license plates. The department of revenue cannot determine the number of additional plates applications that will be received. For purposes of this fiscal note the department is using approximately 100 additional applications. Depending on the actual number of applications this could increase or decrease the revenue accordingly.

**100 additional license plates**

#### MO-AG BUSINESSES

The department of revenue can not determine the number of MO-AG license plates that will be applied for; however for the purposes of this fiscal analysis DOR assume 200 applications.

**200 additional license plates**

#### CORONERS OFFICE

It is assumed there would be approximately 190 applications for a Coroner/Medical license plate.

**190 additional license plates**

#### GREEK ORGANIZATIONS

Delta Sigma Theta, Omega Psi Phi, Kappa Alpha Psi, Iota Phi Theta, Sigma Gamma Rho, Alpha Phi Alpha, Alpha Kappa Alpha, Zeta Phi Beta, Phi Beta Sigma

It is assumed there would be approximately 900 applications for a Greek Specialty license plate.

**900 additional license plates**

#### FRIENDS OF ARROW ROCK

There are approximately 850 members in the Friends for Arrow Rock in 1999. It is assumed that 5% will apply for this new specialty plate totaling 43 additional applications.

**43 additional license plates**

### ASSUMPTION (continued)

#### PREVENT DISASTERS IN MISSOURI

The department of revenue cannot determine the number of applications that will be received for this specialty plate. For purposes of this fiscal note the department assumes approximately 100

additional applications. Depending on the actual number of applications this will increase or decrease the revenues accordingly.

**100 additional license plates**

**ELKS LODGE**

The Elks Lodge indicates they have approximately 27,634 members. It is assumed that 5% of these members will apply for Elks Lodge license plates.

$27,634 \times 5\% = 1,382$  additional license plates

**4-H**

There are approximately 15,000 families in Missouri who would be eligible for the 4-H license plate. It is assumed that 5% of this membership would apply for this new type of plate.

$15,000 \times 5\% = 750$  additional license plates

**SQUARE AND ROUND DANCE CLUBS**

There are approximately 12,000 eligible members for this plate. It is assumed 7% of this membership will apply for the special plate. The provisions of this proposal require the payment of an additional \$15 fee for this special plate.

$12,000 \times 7\% = 840$  additional license plates

**HEARING IMPAIRED KIDS ENDOWMENT FUND, INC.**

There are approximately 400 members of the Jobs Daughters in Missouri who established the Hearing Impaired Kids Endowment Fund, Inc. It is assumed that 50% of those 400 members would apply for this speciality plate, there would be 200 additional speciality plate applications.

**200 additional license plates**

**EAGLE SCOUTS/TRIBE OF MIC-O-SAY, ORDER OF THE ARROW**

There are approximately 32,700 Eagle Scouts, 28,500 members of the Tribe of Mic-O-Say and 4,000 members of the Order of the Arrow that would be eligible for these speciality plates. It is assumed that 2% of the eligible members will apply for the plate.

$65,200 \times 2\% = 1,304$  additional license plates

ASSUMPTION (continued)

**FRATERNAL ORDER OF POLICE**

There are approximately 16,500 certified police officers in the state of Missouri. It is assumed that 1% of those are members of the Fraternal Order of Police and will apply for this speciality plate.

$16,500 \times 1\% = 165$  additional license plates

#### ST. LOUIS COLLEGE PHARMACY

The St. Louis College Pharmacy has approximately 6,000 (this includes alumni) members in Missouri. It is assumed that 5% of these members will make the annual contribution and apply for St. Louis College Pharmacy license plates.

**6,000 x 5% = 300 additional license plates**

#### MISSOURI TRAVEL COUNCIL

It is assumed that approximately 500 individuals will apply for this new plate type.

**500 additional license plates**

#### KINGDOM OF CALONTIR AND MISSOURI CIVIL WAR REENACTORS

There are approximately 5,000 Civil War Reenactment Members. It is assumed that approximately 10% of their 5,000 members will apply for this new plate type. (5,000 X 10% = 500) In addition, there could be approximately 120 owners apply for the Kingdom of Calontir license plate.

**620 additional license plates**

#### MO-KS-NE TEAMSTERS

It is assumed that approximately 1% of their 50,000 members will apply for this new plate type.

**500 additional license plates**

#### JEFFERSON NATIONAL PARKS ASSOCIATION

It is assumed that there will be 100 applications for plates in FY03, 250 applications for plates in FY04 and 500 applications in plates for FY05.

**FY03 - 100 additional license plates**

**FY04 - 250 additional license plates**

**FY05 - 500 additional license plates**

#### ROTARY INTERNATIONAL

It is assumed that 30% of the 9000 Rotary members would apply for one of these new plate type.

**9,000 x 30% = 2,700 additional license plates**

#### ASSUMPTION (continued)

#### MISSOURI WOMEN'S COUNCIL (Breast Cancer Awareness)

It is assumed that 100 applicants will apply for this specialty plate.

**100 additional license plates**

#### GOD BLESS AMERICA

It is assumed that 5% of the total members for the Missouri VFW and the American Legion would apply for the God Bless America license plate. Current membership is 50,000 for the

Missouri VFW and 59,729 for the Missouri American Legion.

109,729 X 5% = **5,486 additional license plates**

### Revenue Impact

#### FY03

16,480 x \$15 = \$247,200/12 x 10 = \$206,000 x 75% = \$154,500 Highway

x 15% = \$ 30,900 Cities

x 10% = \$ 20,600 Counties

The DOR assumes that this proposal would allow the department to require entities that do not meet the 100 minimum applications but have at least 10 applications to pay the up-front “actual” cost for producing the initial issuance of such plates. Based on the estimated number of plates, the Friends of Arrow Rock and the Order of the Arrow would not meet that 100 minimum requirement. Therefore the department would require Friends of Arrow Rock to pay \$614 and Order of the Arrow would pay \$927. The department would receive a total of \$1,541 in FY03.

**Oversight** assumes that the revenue generated from the fee for minimum application would be minimal and could be absorbed by DOR.

#### FY04 - DOR will have an additional 250 Jefferson National Parks Association Plates

\$188, 213 Highway

\$ 37,643 Cities

\$ 25,095 Counties

#### FY05 - DOR will have an additional 500 Jefferson National Parks Association Plates

\$193,838 Highway

\$ 38,768 Cities

\$ 25,845 Counties

#### ASSUMPTION (continued)

Officials from the **Secretary of State (SOS)** assume the **Department of Revenue** will promulgate rules to implement this bill. These rules would be published in both the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Revenue could require as many as (66) pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because of cost statements, fiscal notes and the like are not published in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00 and the estimated cost of a page in the Code of State Regulations

is \$27.00. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn. The SOS estimates the cost of this legislation to be \$4059. [(66x\$27) + (99x\$23) = \$4059]

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Transportation** are unable to provide an estimate for this proposal and will rely on the response from the Department of Revenue.

Officials from the **Office of Administration- Division of Budget and Planning** and **Missouri Highway Patrol** assume this proposed legislation would have no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>HIGHWAY FUNDS</b>			
<u>Revenue-</u> Department of Revenue			
Special plate fees	<u>\$154,500</u>	<u>\$188,213</u>	<u>\$193,838</u>
Total	<u>\$154,500</u>	<u>\$188,213</u>	<u>\$193,838</u>
<u>Expense-</u> Department of Revenue			
Salaries	(\$20,435)	\$0	\$0
Policy, Forms and Postage	(\$36,456)	(\$545)	(\$1,030)

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Plates and Tabs	<u>(\$110,994)</u>	<u>(\$1,570)</u>	<u>(\$3,140)</u>
Total	<u>(\$167,885)</u>	<u>(\$2,115)</u>	<u>(\$4,170)</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUNDS</b>	<b><u>(\$13,385)</u></b>	<b><u>\$186,098</u></b>	<b><u>\$189,668</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2003 (10 Mo.)	 FY 2004	 FY 2005
<b>LOCAL FUNDS</b>			
<u>Revenue-Cities</u>			
License plate fees	<u>\$30,900</u>	<u>\$37,643</u>	<u>\$38,768</u>
Total	<u>\$30,900</u>	<u>\$37,643</u>	<u>\$38,768</u>
 <u>Revenue- Counties</u>			
License plate fees	<u>\$20,600</u>	<u>\$25,095</u>	<u>\$25,845</u>
Total	<u>\$20,600</u>	<u>\$25,095</u>	<u>\$25,845</u>
 <b>NET ESTIMATED EFFECT ON LOCAL FUNDS</b>	 <b><u>\$51,500</u></b>	 <b><u>\$62,738</u></b>	 <b><u>\$64,613</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would allow motorists to obtain various special license plates and limit the issuance of such plates to governmental entities and charitable organizations.

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

EJ:LR:OD (12/01)

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Missouri Highway Patrol  
Office of Administration  
Budget and Finance  
Secretary of State

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Acting Director  
April 17, 2002