

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6271-01
Bill No.: HB 2058
Subject: Veterans; Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: April 10, 2012

Bill Summary: This proposal establishes a Women Veterans license plate.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| 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 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2013 | FY 2014 | FY 2015 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation** concur with Department of Revenue regarding the fiscal impact to their organization.

Officials from the **Department of Corrections** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Revenue** stated the Department's response to a proposal similar to, or identical to, this one in a previous session indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's motor vehicle legacy systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the fiscal impact is:

Section 301.4043

Officials from the **Department of Revenue (DOR) - Motor Vehicle Bureau (MVB)** state procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Application for Military Personalized License Plates (DOR-4601) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182. The Department's web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319. The Department would incur 20 overtime hours for a Revenue Processing Tech II to work with military personnel on the design of the plate and finalizing the design at a cost of \$411. The Department would incur 20 overtime hours for a Revenue Processing Tech II to set up the new specialty plate within MVB systems and testing at a cost of \$411.

Total cost to provide for the implementation and procedure changes for DOR- MVB is \$3,505 (\$1,182+ \$1,182 + \$319 + \$411 + \$411) in FY 2013.

For every Women Veterans license plate application received, the Department would need to manually verify that a customer has not already been issued a set of Women Veterans plates to determine if the \$15 fee should be charged or not. The Missouri Veterans Commission indicates there are 38,206 women veterans in the state of Missouri. The number of applicants who will obtain this plate is unknown. Therefore the Department is assuming 200 applicants.

ASSUMPTION (continued)

The printing of flat plates has changed from Irwin Hodson to Missouri Vocational Enterprise (MVE); as a result the cost for the set-up of a new specialty plate has changed from previous years.

The Department is charged \$215 for the initial set-up of 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 FY13.

The Department pays \$3.50 per plate, \$7 per set of plates, for manufacturing flat plates through Missouri Vocational Enterprises. The Missouri Veterans Commission indicates there are 38,206 countable women veterans in Missouri.

The number of applicants who will obtain this plate is unknown. Therefore the Department is assuming 200 applicants in FY13 at a cost of \$1,167 (10 Months) in FY13, \$1,435 in FY14, and \$1,471 in FY15.

Currently it costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to license offices once they have completed the manufacturing process through MVE. Assuming 200 applications received it would cost the Department \$93 in FY13 (10 Months), \$114 in FY14, and \$117 in FY15 to ship 200 sets of plates to contract offices in various regions across the state.

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 are mailed it would cost the Department \$86 in FY13 (10 Months), \$107 in FY14, and \$109 in FY15 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.45).

Total cost for plate set-up, manufacturing, and mailings is \$1,561 ($\$215 + \$1,167 + \$93 + 86$) in FY 2013, \$1,656 ($\$1,435 + \$114 + \107) in FY 2014 and \$1,697 ($\$1,471 + \$117 + \109) in FY 2015.

Assuming 200 women veterans would initially apply for these plates there would not be a revenue increase for the initial set of plates issued. The Department assumes the number of these applicants that would obtain an additional set of license plates would be minimal.

ASSUMPTION (continued)

In summary, DOR assumes a cost of \$5,066 (\$3,505 + \$1,561) in FY 2013, \$1,656 in FY 2014 and \$1,697 in FY 2015 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight assumes that until 200 women veterans apply for these plates there will be no fiscal impact. In the future, if over 200 women veterans apply for these plates there may be a fiscal impact to the General Revenue Fund, Highway Fund, and Local Political Subdivisions.

| <u>FISCAL IMPACT - State Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2013 (10 Mo.) | FY 2014 | FY 2015 |
|---|---------------------|------------|------------|
| | <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.

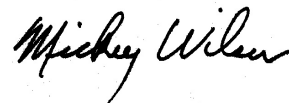
FISCAL DESCRIPTION

This proposal establishes a Women Veterans license plate.

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 Corrections
Department of Transportation
Department of Revenue



Mickey Wilson, CPA
Director
April 10, 2012