

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2110-03
Bill No.: HCS for HB 1091
Subject: Transportation; Licenses - Motor Vehicle
Type: Original
Date: April 13, 2015

Bill Summary: This proposal allows the owner of a motor vehicle other than an apportioned motor vehicle or commercial motor vehicle licensed in excess of 12,000 pounds to apply for a special personalized licensed plate.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$56,107)	(\$16,006)	(\$15,956)
Total Estimated Net Effect on General Revenue	(\$56,107)	(\$16,006)	(\$15,956)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 301.010

Officials from the **Department of Revenue (DOR)** assume this section defines a "Personal Motor Vehicle" as "any noncommercial motor vehicle or noncommercial motor vehicle eligible to be licensed as a truck and primarily used for personal or recreational purposes. Only motor vehicles that fall under this definition will be eligible for specialized license plate.

Section 301.130

DOR assumes this section changes weight from eighteen to twelve thousand pounds in regards to specialty personalized license plates.

Section 301.144

DOR assumes this section changes weight from eighteen to twelve thousand pounds in regards to specialty personalized license plates.

Section 301.3150

DOR assumes this section changes weight from eighteen to twelve thousand pounds in regards to the creation of a new specialty plate for an organization.

This proposal eliminates the availability of eighteen thousand pound license plates on commercial motor vehicles that would have been eligible for military, collegiate, and organizational specialty plates.

Administrative Impact

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2016.
- The Application for Missouri Personalized and Special license Plates (DOR-1716) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2016.

ASSUMPTION (continued)

- The Application for Military Personalized License Plates (DOR-4601) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2016.
- The Department's website will need to be updated. This will require 10 hours for an Administrative Analyst III, at a cost of \$240 in FY 2016.
- MVB user acceptance testing for identified system modifications. 40 hours for each system modification for a total of 80 hours by a Management Analyst Specialist I at a cost of \$1,780 in FY 2016.
- OA-ITSD development staff estimate 432 hours will be required to update existing software to accommodate changes required by this proposal at a cost of \$32,400 in FY 2016.

In summary, DOR assumes a cost of \$37,090 ($\$890 + \$890 + \$890 + \$240 + \$1,780 + \$32,400$) in FY 2016 to provide for the implementation of the administrative changes in this proposal.

Specialty Plate Sections

Section 301.3172, RSMo, is not included in this proposal and the Department will still issue Women Veteran specialty plates at 18,000 lbs.

This proposal changes the weight from 18,000 to 12,000 lbs. within Section 301.130.8, RSMo, and also in the specialty plate sections and eliminates 18,000 lb. specialty plates to be issued.

In FY 2014 there were 207 personalized and specialty 18,000 lb. license plates ordered at a cost of \$3.50 per plate. This proposal will eliminate the need to order these types of plates, resulting in a savings to General Revenue of \$604 in FY 2016 (10 Months), \$743 in FY 2017, and \$761 in FY 2018.

The Department incurs costs for mailing notifications to applicants notifying them their personalized and specialty license plates are ready for pickup at the respective license office.

By not having to mail 207 notices to applicants this will result in a savings to General Revenue of \$96 in FY 2016 (10 Months), \$118 in FY 2017, and \$121 in FY 2018 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49).

ASSUMPTION (continued)

Currently it costs the Department, on average, \$5.55 to ship a box of 10 plates to contract offices once they have completed the manufacturing process through Missouri Vocational Enterprises (MVE).

Not having to ship 21 (207/10) boxes of 18,000 lb. personalized and specialty license plates, will result in a savings to General Revenue of \$957 in FY 2016 (10 Months), \$1,178 in FY 2017, and \$1,207 in FY 2018.

Note: \$5.55 is an average cost, 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 will mail a letter notifying each citizen that has been issued an 18,000 lb. personalized and specialty license plate, to surrender their current plate and require them to obtain a stock license plate.

In FY 2016 the Department will need to mail 1,203 letters to the active 18,000 lb. registrations expiring in December 2015, at a cost of \$668 in FY 2016.

The Department will need to issue 1,203 18,000 lb. embossed plates in lieu of the 18,000 lb. specialty plates (\$1.63 per plate) which would be an increase to General Revenue of \$1,961 in FY 2016.

This proposal may have additional unknown impact on the Department in the amount of phone and email correspondence. If the volume is significant enough that it cannot be absorbed by existing staff, additional FTE(s) will be requested through the appropriation process.

Revenue Impact:

Specialty Plate Sections

DOR assumes all current 18,000 lb specialty plate registrations are renewed in subsequent years. There are currently 1,203 18,000 lb personalized and specialty registrations resulting in an ongoing loss every year of \$18,045.

Officials from the **Department of Corrections** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

In response to a previous version, officials from the **Department of Insurance, Financial Institutions and Professional Registration** assumed the proposal will have no fiscal impact on their organization.

In response to a similar proposal (HB 507), officials from the **Department of Transportation** assumed the proposal will have no fiscal impact on their organization.

Oversight will use the DOR's estimates and will reflect a savings of \$1,657 (\$604 + \$96 + \$957) in FY 2016, \$2,039 (\$743 + \$118 + \$1,178) in FY 2017 and \$2,089 (\$761 + \$121 + \$1,207) in 2018.

Oversight will also reflect a cost of \$39,719 (\$37,090 + \$668 + \$1,961) in FY 2016

Finally, Oversight will reflect a loss of \$18,045 in FY 2016, FY 2017 and FY 2018.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<u>Savings - DOR</u>			
Elimination of notification and shipping cost of 18,000 lb personalized and specialty license plates	\$1,657	\$2,039	\$2,089
<u>Cost - DOR</u>			
Administrative cost, notification of changes to applicants and issuance of embossed plates in lieu of 18,000 specialty plates	(\$39,719)	\$0	\$0
<u>Loss - DOR</u>	<u>(\$18,045)</u>	<u>(\$18,045)</u>	<u>(\$18,045)</u>
Loss of specialty plate fee (\$15 per applicant)			
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$56,107)</u>	<u>(\$16,006)</u>	<u>(\$15,956)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

A direct fiscal impact to organizations receiving donations from specialty license plates would be expected as a result of this proposal.

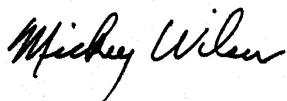
FISCAL DESCRIPTION

This proposal allows the owner of a motor vehicle other than an apportioned motor vehicle or commercial motor vehicle licensed in excess of 12,000 pounds to apply for a special personalized licensed 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 Revenue
Department of Corrections
Department of Insurance, Financial Institutions and Professional Registration
Department of Transportation
Department of Public Safety



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Director
April 13, 2015

Ross Strobe
Assistant Director
April 13, 2015