

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4625-01
Bill No.: HB 1425
Subject: Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: January 4, 2016

Bill Summary: This proposal allows camping trailers more than 25 years old to be permanently registered and be issued historic trailer license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Highway Fund	Less than \$50,000	Less than \$50,000	Less than \$50,000
Total Estimated Net Effect on <u>Other</u> State Funds	Less than \$50,000	Less than \$50,000	Less than \$50,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume this legislation provides that any camping or fifth-wheel trailer, as defined by section 407.1320, that is over twenty-five years old may be permanently registered upon payment of a registration fee of twenty-five dollars.

Administrative Cost:

The following procedures will need to be implemented for the changes in this proposal:

1. Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY `17.
2. The Application for Historic License Plates (DOR-570) will need to be revised to include a "Year of Manufacture" trailer registration option. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY `17.
3. The Department's web site will need to be updated to include the new plate type. This will require 10 hours for an Administrative Analyst III, at a cost of \$240 in FY `17.
4. The Department would incur 20 hours for a Revenue Processing Tech II to set up the new plate within MVB systems and testing at a cost of \$467 in FY `17.
5. The Title and Registration Internet Processing System and the General Registration System will require programming to support the new plate types. This will require 147 hours at a cost of \$11,016 in FY `17.

In summary, DOR assumes a cost of \$13,503 ($\$890 + \$890 + \$240 + \$467 + \$11,016$) in FY 2017 to provide for the implementation of the changes in this proposal.

Postage and Mailing Cost:

The Department would incur an additional postage cost for mailing "year of manufacture" trailer registrations to applicants.

ASSUMPTION (continued)

It is unclear as to how many qualified applicants would specifically apply for "year of manufacture" trailer license plates. DOR has made the assumption that there could be 10% of trailer owners that fit the appropriate category registering as "year of manufacture". This would total an average cost of \$80 per fiscal year for envelopes, letters and postage.

In summary, DOR assumes a cost of \$13,583 (\$13,503 + \$80) in FY `17, \$80 in FY `18 and \$80 in FY `19 to provide for personnel changes and mailing cost.

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.

Revenue Impact:

DOR notes the revenue impact is dependent on the amount of individuals that choose the permanent registration. Currently, individuals can apply for a one or three year registration.

There are 2,145 registered camping trailers over twenty-five years old, with tags expiring in December 2015. The fiscal impact could range from \$0 to \$22,737 in FY `17 to Highway Funds. This range is based on none of the eligible individuals registering with the permanent plate (\$0) to all eligible individuals registering with the permanent plate (\$22,737).

Each fiscal year's impact is dependent on the previous fiscal year. If the majority of those eligible to register permanently registered in the first year, the following years will see a decrease in registration fees. Therefore, this fiscal note will indicate a slight increase in revenue for the first several fiscal years followed by a decrease in revenue.

Since it is unknown how many applications will be received for this plate, **Oversight** will estimate an increase in revenue to the Highway Fund of "Less than \$50,000". Oversight assumes there will be a continual loss to the Highway Fund due to the permanent registration versus a one or three year registration; however, Oversight also assumes the revenue into the Highway Fund will at least cover the estimated loss from the proposal in FY `17, `18 and `19, resulting in a positive "Less than \$50,000" estimated net effect to the Highway Fund for those three years.

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

ASSUMPTION (continued)

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

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
HIGHWAY FUND			
<u>Revenue - DOR</u>			
\$25 permanent registration fee vs. 1 year or 3 year registration fee for approximately 2,100 applicable trailers	Less than <u>\$50,000</u>	Less than <u>\$50,000</u>	Less than <u>\$50,000</u>
ESTIMATED NET EFFECT TO THE HIGHWAY FUND	Less than <u>\$50,000</u>	Less than <u>\$50,000</u>	Less than <u>\$50,000</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

License Offices could have a potential negative fiscal impact as a result of this proposal.

FISCAL DESCRIPTION

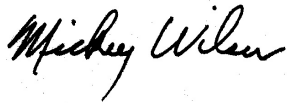
This proposal allows a camping or fifth-wheel trailer that is more than 25 years old to be permanently registered upon payment of a \$25 registration fee. The proposal also allows any person with license plates issued by the state of Missouri that are over 25 years old and the year of issuance is consistent with the year of manufacture for the camping or fifth-wheel trailer to register the plates as historic trailer plates.

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

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SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Department of Corrections



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