

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6794-01
Bill No.: HB 2757
Subject: Licenses - Motor Vehicles; Department of Revenue; Department of Transportation; Historic Preservation
Type: Original
Date: April 4, 2016

Bill Summary: This proposal provides for the redesign and reissuance of all Missouri license plates in order to commemorate the bicentennial of Missouri.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Less than \$20,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(Less than \$20,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Highway Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 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

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes that this proposal establishes an advisory committee for the Department of Revenue to develop uniform designs and common colors for motor vehicle license plates and to determine appropriate license plate parameters for all license plates issued. The advisory committee will adopt a type of design and color scheme for license plates issued that commemorates the bicentennial of Missouri by January 1, 2017.

Due to time constraints, officials from the **Department of Revenue** did not respond with detailed costs to implement this part of the proposal. DOR states the proposal will have a fiscal impact of millions of dollars.

Oversight assumes there will be at least 10,000,000 sets of license plates that will be reissued with new parameters (including bicentennial design) and will reflect a cost of "Greater than \$5,000,000" for DOR to reissue the new license plates over a two year period (FY 2018 and FY 2019) to the Highway Fund. Oversight also assumes DOR can charge a fee to cover the costs associated with the issuance of the bicentennial plates and will reflect revenues in the amount of "Greater than \$5,000,000" for FY 2018 and FY 2019.

Oversight will reflect a cost of "Less than \$20,000" to the General Revenue Fund for administrative costs for DOR for the advisory committee as well as to create and produce the design for the bicentennial plates.

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

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost - DOR</u> Administrative costs for advisory commission and for creation of design for the bicentennial plates	(Less than <u>\$20,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	(Less than <u>\$20,000</u>)	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND			
<u>Revenue - DOR</u> Registration fees for bicentennial plates	\$0	Greater than \$5,000,000	Greater than \$5,000,000
<u>Cost - DOR</u> Manufacturing and issuance of bicentennial plates	<u>\$0</u>	(Greater than <u>\$5,000,000</u>)	(Greater than <u>\$5,000,000</u>)
ESTIMATED NET EFFECT TO HIGHWAY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017	FY 2018	FY 2019
	<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

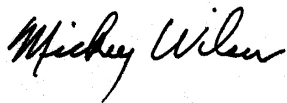
This proposal establishes an advisory committee to design a new Missouri license plate commemorating the bicentennial of Missouri. The advisory committee is composed of the Director of Revenue, the Superintendent of the Highway Patrol, the Correctional Enterprises Administrator, the Chair of the Missouri Highways and Transportation Commission or his or her designee, the Executive Director of the Missouri State Historical Society, and the respective chairpersons of both the Missouri Senate and House of Representatives Transportation Committees. The license plate design shall be agreed upon by January 1, 2017, and the final design shall be implemented not later than August 10, 2017.

The proposal also includes an emergency clause.

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 Public Safety
Missouri Highway Patrol
Department of Corrections
Department of Revenue



Mickey Wilson, CPA
Director
April 4, 2016

Ross Strobe
Assistant Director
April 4, 2016