

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6794-02
Bill No.: HCS for HB 2757
Subject: Licenses - Motor Vehicle; Department of Revenue; Department of Transportation;
 Historic Preservation
Type: Original
Date: April 20, 2016

Bill Summary: This proposal modifies several provisions related to motor vehicle licensing and motor vehicle license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	(\$14,294,475)	(\$5,522,951)	(\$2,087,222)	\$0
Total Estimated Net Effect on General Revenue	(\$14,294,475)	(\$5,522,951)	(\$2,087,222)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Highway Fund	\$1,135,091 or \$1,157,828	\$11,773,054 or \$11,824,272	\$3,768,179 or \$3,828,769	\$677,211
Total Estimated Net Effect on Other State Funds	\$1,135,091 or \$1,157,828	\$11,773,054 or \$11,824,272	\$3,768,179 or \$3,828,769	\$677,211

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 22 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	6 FTE	6 FTE	6 FTE	0 FTE
Total Estimated Net Effect on FTE	6 FTE	6 FTE	6 FTE	0 FTE

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	Fully Implemented (FY 2020)
Local Government	\$0	\$3,386,054	\$902,948	\$225,737

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** state the following:

§301.067

Opens permanent trailer registrations to any trailer as defined in §301.010, RSMo, and semitrailers, at a fee of \$52.50, by deleting restrictions for trailers or semitrailers which are operated coupled to a towing vehicle by a fifth wheel and kingpin assembly or by a trailer converter dolly.

Administrative Impact

Motor Vehicle Bureau (MVB)

- Procedures will need to be revised by a Management Analyst Specialist I requiring 80 hours at a cost of \$1,780 in FY 2017.
- 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 2017.

Currently one and three year trailer registrations expire at the end of each given calendar year. Due to permanent trailer plates being non-expiring, there will be a cost reduction from the elimination of renewal notices that are currently mailed at the end of each year, or three years. This proposal would result in savings to the Department for the cost of postage (\$.224 for each renewal notice) and forms (\$.0224 per renewal notice).

There are currently 297,924 trailer registrations expiring at the end of 2016 (FY 2017), 289,114 at the end of 2017 (FY 2018), and 86,207 at the end of 2018 (FY 2019). Based on current statistics 54% of trailer registrations are one year and 46% are three year.

The Department cannot determine how many applicants will switch to a permanent registration upon renewal of their current one or three year registration; therefore, for purposes of this fiscal note, it is assumed 10% of all applicants will obtain a permanent registration at the time of renewal, thus eliminating the need for a renewal notice in subsequent years. All renewals expiring at the end of 2016 (FY 2017) will need to be mailed, and thus there will be no savings. For FY 2018 there will be a savings of \$5,764 and in FY 2019 \$9,722.

ASSUMPTION (continued)

In summary, DOR assumes a cost of **\$2,020** (\$1,780 + \$240) in FY 2017 and a savings of **\$5,764** in FY 2018 and a savings of **\$9,722** in FY 2019.

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 section of the proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process. Oversight will reflect the savings in FY 2018 and FY 2019.

Revenue Impact

There are currently 297,924 trailer registrations expiring at the end of 2016 (FY 2017), 289,114 at the end of 2017 (FY 2018), and 86,207 at the end of 2018 (FY 2019). Based on current statistics 54% of trailer registrations are one year and 46% are three year.

The Department cannot determine how many applicants will obtain a permanent registration in lieu of a one or three year registration either at initial issuance or renewal; therefore, for purposes of this fiscal note, it is assumed 10% of all applicants will obtain a permanent registration.

The fee of \$52.50 will be charged for the issuance of permanent registrations resulting in the revenue estimate impact for permanent registrations vs. one and three-year trailer registrations as shown below:

	FY 2017	FY 2018	FY 2019
1 Year Trailer Plate	(\$120,659)	(\$175,732)	(\$120,319)
3 Year Trailer Plate	(\$308,351)	(\$426,890)	(\$265,957)
Permanent Plate	\$1,564,101	\$2,226,199	\$1,462,802
Total Increase to Highway Fund	\$1,135,091	\$1,623,577	\$1,076,526

Since it is unknown how many potential permanent trailer registrations will be issued, for fiscal note purposes only, **Oversight** will use DOR's estimate. Oversight will reflect a revenue increase for the proposed \$52.50 registration fee and a savings of cost associated with renewals to the Highway Fund.

ASSUMPTION (continued)

Oversight notes that income to the Highway Fund may begin to decrease starting in the 4th fiscal year due to fewer 1 year and 3 year trailer plate renewals.

§301.130

Increases the availability of all special personalized license plates to commercial motor vehicles registered up to 24,000 lbs gross weight.

Provides that on or after August 28, 2016, owners of motor vehicles, other than apportioned motor vehicles or commercial motor vehicles licensed in excess of twenty-four thousand pounds gross weight, may apply for any pre-existing or hereafter statutorily created special personalized license plates.

§301.144

Increase the availability of all personalized license plates to commercial motor vehicles registered at 24,000 lbs gross weight.

§301.3150

Increase the availability of specialty license plates to commercial motor vehicles registered at 24,000 lbs gross weight in regards to the creation of a new specialty plate for an organization.

§301.473

Eliminates the requirement of at least two hundred potential applicants before production can begin for the "Missouri Junior Golf Foundation" license plate.

The proposed art design for the specialty license plate, and an application fee, not to exceed five thousand dollars, to defray the department's cost for issuing, developing, and programming the implementation of the specialty plate is still required.

This proposal increases and streamlines language for the availability of military, collegiate, and organizational specialty plates to commercial motor vehicles registered at 24,000 lbs gross weight.

Administrative Impact:

Motor Vehicle Bureau

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2017.

ASSUMPTION (continued)

- The Application for Missouri Personalized and Special license Plates (DOR-1716) will need to be revised to include the availability of 24,000 local and beyond local plates. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2017.
- The Application for Military Personalized License Plates (DOR-4601) will need to be revised to include the availability of 24,000 local and beyond local plates. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2017.
- The Department's website will need to be updated to include the availability of 24,000 local and beyond local plates. This will require 10 hours for an Administrative Analyst III, at a cost of \$240 in FY 2017.
- The Department would incur 40 hours for a Revenue Processing Tech II to set up the 24,000 lb specialty plate option for all specialty and personalized plates within MVB systems and testing at a cost of \$934 in FY 2017.
- MVB user acceptance testing for identified system modifications. Each system modification will take 80 hours, for a total of 160 hours by a Management Analyst Specialist I at a cost of \$3,560 in FY 2017.

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.

In FY 2015 there were 109,786 commercial motor vehicles registered at 18,000 lbs gross weight with 1.21% (1,326) of those being personalized or special personalized license plates.

In FY 2015 there were 64,257 commercial motor vehicles registered at 24,000 lbs gross weight.

Assuming the same percentage (1.21%) of applicants may want personalized or special personalized license plates at 24,000 lbs. This will result in 777 personalized and special 24,000 lb license plates being issued by the Department.

Set-up cost

The Department will be charged \$45 per plate type for the initial set-up of a 24,000 lb category for 214 plate types at a total cost of \$9,630.

ASSUMPTION (continued)

This is a one-time fee that will be charged upon passage and implementation of this bill.

Plate manufacturing cost

The Department pays \$3.50 per plate for manufacturing flat plates.

24,000 lb plates are only issued on plate pursuant to section 301.130, RSMo.

Assuming 777 applicants would apply for 24,000 lb personalized or special personalized license plates at cost to the Department of \$2,266 in FY 2017 (10 Months), \$2,787 in FY 2018, and \$2,857 in FY 2019.

Mailings

It currently 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 MVE.

Assuming 777 applicants would apply for 24,000 lb personalized or special personalized plates at a cost to the Department of \$356 in FY 2017, \$438 in FY 2018, and \$449 in FY 2019 to ship 77 boxes 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 777 applicants would apply for 24,000 lb personalized or special personalized plates at a cost to the Department of \$359 in FY 2017, \$442 in FY 2018, and \$453 in FY 2019 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49).

In summary, DOR assumes a cost of **\$20,015** ($\$890 + \$890 + \$890 + \$240 + \$934 + \$3,560 + \$9,630 + \$2,266 + \$356 + \359) in FY 2017, **\$3,674** ($\$2,787 + \$438 + \449) in FY 2018 and **\$3,759** ($\$2,857 + \$449 + \453) in FY 2019.

ASSUMPTION (continued)

Revenue Impact:

SB 147 (2012) expanded the availability of biennial registrations for commercial motor vehicles to include 18,000 lb and 24,000 lb license plates effective July 1, 2015.

Based on current statistics 54% of registrations are one year and 46% are two year. Assuming 777 applicants might apply for 24,000 lb personalized or special personalized plates, 420 would choose one year and 357 would choose two years. There will be an increase in general revenue of \$17,016 in FY 2017, \$9,189 in FY 2018, and \$15,685 in FY 2019 from the annual \$15 (\$30 for biennial) personalized and specialty license plates.

Not all specialty plates require the \$15 fee. Therefore, the revenue generated may decrease depending on the type and amount of specific plate type applied for.

§301.136

Provides that any camping or fifth-wheel trailer, as defined in §407.1320, RSMo, that is over twenty-five years old may be permanently registered upon payment of a registration fee of \$25 dollars.

- §407.1320, RSMo, defines fifth-wheel trailer as a "vehicle, mounted on wheels, designed to provide temporary living quarters for recreational, camping or travel use, of such size or weight as to not require a special highway movement permit, of gross trailer area not to exceed four hundred square feet (37.2m²) in the set-up mode, and designed to be towed by a motorized vehicle that contains a towing mechanism that is mounted above or forward of the tow vehicle's rear axle."

Administrative Impact

Motor Vehicle Bureau (MVB)

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2017.
- 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 2017.

ASSUMPTION (continued)

- The Department's website 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 2017.
- 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 2017.

This proposal allows for permanent, non-expiring trailer license plates and "year of manufacture" trailer license plates to be registered to camper trailers and fifth wheel camper trailers over 25 years old at a fee of \$25. The Department assumes "over 25 years old" mean 25 years old or older, as it is interpreted in §301.131, RSMo, for historic and year of manufacture motor vehicle registrations.

- The Department currently issues permanent trailer registrations under §301.067, RSMo. It is assumed the same permanent trailer plates currently in use will be issued to those camper trailers and fifth wheel camper trailers that are over 25 years under this proposal. Therefore, no costs for the creation of a new plate are being shown.
- The applicant must list on the application the year of the camper trailer and the body style as a camper.
- The "year of manufacture" trailer plates will be applied for, processed, and registrations issued through the central office only, similar to year of manufacture motor vehicle plates under §301.131, RSMo.

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

It is unknown how many applicants would specifically apply for "year of manufacture" trailer license plates. The following range is based on 10% of trailer owners that fit the appropriate category registering as "year of manufacture". The mailing costs could range from \$0.00 to \$154 in FY 17 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49). As stated above in the revenue impact, the future fiscal years are all based on previous fiscal years. For purposes of this fiscal note, the range will be applied through the three applicable fiscal years coming out to about \$80 per fiscal year.

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 section of the proposal.

ASSUMPTION (continued)

Revenue Impact

The revenue impact is dependent on the amount of individuals that choose the permanent registration. The fiscal impact could range from \$0.00 to \$22,737 in FY 17. This range is based on none of the eligible individuals registering with the permanent plate (\$0.00) to all eligible individuals registering with the permanent plate (\$22,737). In FY 18, there is a potential range of -\$8,685 to \$42,533. In FY 19, there is a range of -\$17,190 to \$43,400.

The fiscal years outside the scope of this note will have a larger potential and probable decrease in revenue. This is due to the fact that in the fourth year of a person having a permanent trailer plate, this is when the state really begins to see a decrease in revenue.

Each fiscal year is dependent on the previous fiscal year. If the majority of those eligible register permanently, the years following will see a decrease in registration fees. Therefore, there may be a slight increase in revenue for the first several fiscal years followed by a decrease in revenue.

§301.130.9

- Provides that no later than January 1, 2018 the director shall begin the reissuance of new license plates approved by the advisory committee under section 301.125.
- The license plate design to "commemorate the bicentennial of Missouri". The manufacturer will charge for a redesign of the license plate sheeting used during the manufacturing process.
- Qualifying registrations to "pay the cost of the bicentennial plates". The Department interprets this to mean citizens will pay an additional average cost that includes redesign and manufacturing for all re-issued, new, and replacement plates bearing the bicentennial design. Once the re-issuance period ends, the fee would no longer be charged;
- Qualifying registrations would be exempt from the additional fee; and
- Qualifying registrations would be exempt from the bicentennial license plate design.

ASSUMPTION (continued)

Administrative Impact

Advisory Committee Expenses

This proposed legislation requires the advisory committee to hold at least three public meetings in different areas of the state to invite public input on the final design. This will require travel, meals, and lodging expenses in FY 2017 for the Director of Revenue.

Meals \$34 per day x 6 days = \$204
Lodging \$100 per day x 6 days = \$600
Mileage 200 miles @ \$.37 per mile x 6 days = \$444
Total travel expense: \$1,248

Motor Vehicle Bureau

This proposal requires a license plate re-issuance to begin January 01, 2018. Due to biennial registrations and three-year trailer plates, a license plate re-issuance will require a three-year implementation.

It is assumed all preparation would need to be performed in FY 2018 in order for an implementation date of January 01, 2018 which is in FY 2018.

- Procedures will need to be developed. This will require 160 hours for a Management Analyst Specialist I, at a cost of \$3,560 in FY 2018.
- Develop a notice to plate holders requiring special handling. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2018.
- Develop a notice to plate holders exempt from the bicentennial plate requirement. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2018.
- 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 2018.
- Technology system changes and development will need to be documented, designed, and tested. This will require 160 hours for a Management Analyst Specialist I, at a cost of \$3,560 in FY 2018.

ASSUMPTION (continued)

- 160 hours at a cost of \$3,560 for a Management Analyst Specialist I in FY 2018 to coordinate and work with the license plate advisory committee to have the new license plate design ready by January 1, 2018.

Approximately six million registrations exist annually. An announcement and notification will be sent to all registration holders providing instruction on obtaining new bicentennial plates. This announcement will replace the current renewal notice. Postage will increase from \$.25 postcard rate to \$.376 letter rate.

Due to biennial versus annual registrations and three-year trailer plate registration, it is assumed 75% of the six million will be mailed the announcement for the bicentennial plate in FY 2018, 20% in FY 2019, and 5% in FY 2020 resulting in an increased cost of \$567,000 in FY 2018, \$151,200 in FY 2019, and \$37,800 in FY 2020.

Plate Costs

In 2008, the manufacturer charged the Department approximately \$40,000, for plate sheeting for redesign.

The Department must order and pay for license plates in FY 2017 for plates that will be issued in CY 2018; pay for plates in FY 2018 that will be issued in CY 2019, and pay for license plates in FY 2019 for plates that will be issued in CY 2020.

- Plate costs are currently \$3.50 per flat plate and \$1.605 per embossed plate.

Assuming all six million registrations will be re-issued the bicentennial plate at renewal, it is assumed 75% of the six million will be ordered for CY 2018, 20% in CY 2019, and 5% in CY 2020 at cost of \$13,544,216 in FY 2017, \$3,611,791 in FY 2018, and \$902,948 in FY 2019.

Personalized License Plates

The Department will mail a notice to all personalized license plate holders (excluding specialty personalized and personalized historic registrations) after January 01, 2018, providing instruction on retaining their personalized configurations on the new bicentennial plate. There are currently 110,523 personalized registrations resulting in a cost of \$61,340 in FY 2018 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49)

ASSUMPTION (continued)

Online and Mail in Renewals

This proposal will require funding for mailing of plates due to mail in and online registration renewals. Once a renewal is performed online or via the mail a new set of the reissued plates will be mailed to the applicant. In FY 2015 there were 217,012 mail in and online renewals. The cost to mail a set of stock and embossed plates is \$3.54 (the cost for mailing is weight based and will decrease if only one plate or a motorcycle plate is mailed). Assuming the rate of online and mail in renewals remain consistent; the cost will be \$640,185 in FY 2018 (6 months) and \$787,428 in FY 2019.

The mailing cost may decrease or increase based on the weight of the package and the area to which it is being sent.

Additional FTE will be required for a Revenue Processing Tech I to mail new plates to the mail in and online renewal applicants. Assuming the rate of online and mail in renewals remain consistent, in FY 2015 there were 835 transactions processed per day.

217,012	Annual Online and Mail-in Renewals
/ 260	Work days per year
835	Received per day
/144	Plates prepared and Mailed per day
6	FTE required (Revenue Processing Tech I)

The Department will require equipment, floor space, and expenses associated with this FTE requirement.

Revenue Impact

This legislation provides for a fee to be charged to each applicant to cover the cost of the bicentennial plate for all new and renewal registrations. Assuming all 6 million registrations will be re-issued the bicentennial plate it is assumed that, due to the propensity for an applicant to obtain a one-year registration over two-year expiration, 75% of the 6 million will be issued the bicentennial plate in FY 2018, 20% in FY 2019, and 5% in FY 2020. And assuming the actual cost for the plate will be charged based on the number and type of plates (embossed or flat) issued there will an increase in revenue as shown below.

ASSUMPTION (continued)

		FY 2018	FY 2019	FY 2020
Increase from fee		\$13,544,216	\$3,611,791	\$902,948
Highway Fund	75%	\$10,158,162	\$2,708,843	\$677,211
Cities	15%	\$ 2,031,632	\$ 541,769	\$135,442
Counties	10%	\$ 1,354,422	\$ 361,179	\$ 90,295

This will increase **Total State Revenue**.

§§301.560 and 301.564

This proposal eliminates the reference to the Missouri State Water Patrol and adds "or authorized or designated employee" of the Highway Patrol in regards to the inspection performed to certify that an applicant for licensure as a boat manufacturer or boat dealer is a bona fide place of business.

Administrative Impact

Motor Vehicle Bureau (MVB)

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2017.
- 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 2017.
- The Dealer Operating Manual will need to be revised to include the change. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 17.
- The Application for Dealer, Auction, or Manufacturer License and Number Plate(s) (DOR-4682) will need to be revised to include the change. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 17.

In summary DOR assumes a cost of \$2,910 (\$890 + \$240 + \$890 + \$890) in FY 2017.

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 section of the proposal.

ASSUMPTION (continued)

§301.3173

Allows anyone who participated in the American Legion's Missouri Boys State Program or the American Legion's Missouri Girls State Program, after an annual payment of a \$25 emblem-use fee to the Missouri Boys State or Missouri Girls State, to apply for special personalized motor vehicle license plates for any vehicle the person owns other than an apportioned motor vehicle or a commercial motor vehicle licensed in excess of eighteen thousand pounds gross weight.

This proposal creates two separate license plates, one for the Missouri Boys State and one for the Missouri Girls State.

Administrative Impact

Motor Vehicle Bureau

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$890 in FY 2017.
- The Application for Personalized and Special License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2017.
- The Department's website 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 \$240 in FY 2017.
- The Department will need to add and do user acceptance testing on the new specialty plate when it gets added into MVB systems, which will take 20 hours for a Revenue Processing Tech II at a cost of \$467 in FY 2017.

Set-up cost:

The Department is charged \$215 (\$430 for two plates) 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 FY 2017.

Plate manufacturing cost:

The Department pays \$3.50 per plate for manufacturing flat plates through Missouri Vocational Enterprises (MVE).

ASSUMPTION (continued)

It is unknown how many applicants would apply for these license plates. The Department is assuming 200 applications, per plate, per year at cost to the Department of \$1,167 (10 Months) in FY 2017, \$1,435 in FY 2018, and \$1,471 in FY 2019.

Mailings

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE.

- The mailing costs will be \$185 in FY 2017, \$228 in FY 2018, and \$233 in FY 2019.

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 applications, per plate, per year at a cost of \$185 in FY 2017 (10 Months), \$228 in FY 2018, and \$233 in FY 2019 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49).

In summary DOR assumes a cost of **\$4,454** ($\$890 + \$890 + \$240 + \$467 + \$430 + \$1,167 + \$185 + \185) in FY 2017, a cost of **\$1,891** ($\$1,435 + \$228 + \228) in FY 2018 and a cost of **\$1,937** ($\$1,471 + \$233 + \233) in FY 2019.

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 section of the proposal.

Revenue Impact

Assuming 200 applicants, per plate, per year would result in an increase in revenue from the \$15 specialty plate fee of \$5,000 in FY 2017 (10 Months), \$6,000 in FY 2018 and FY 2019 to General Revenue.

OA-ITSD services will be required for sections 301.130.9, 301.136 and 301.3173 at a cost of **\$49,734** in FY 2017 and for sections 301.125, 301.130.9 at a cost of **\$388,800** in FY 2018.

ASSUMPTION (continued)

Officials from the **Department of Transportation, Missouri House of Representatives, Missouri Senate, Department of Correction and Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
GENERAL REVENUE				
<u>Revenue - DOR</u> (§§301.130, 301.144, 301.3150 and 301.473) Personalized plate fees	\$17,016	\$9,189	\$15,685	\$0
<u>Revenue - DOR</u> (§301.3173) Missouri Boys State and Missouri Girls State license plates	\$5,000	\$6,000	\$6,000	\$0
<u>Savings - DOR</u> (§301.067) Renewal notices not sent out	\$0	\$5,764	\$9,722	\$0
<u>Cost - DOR</u> (§§301.130, 301.144, 301.3150 and 301.473) Administrative, mailing and specialty plate	(\$20,015)	(\$3,674)	(\$3,759)	\$0

FISCAL IMPACT -
State Government
 (continued)

FY 2017
 (10 Mo.)

FY 2018

FY 2019

Fully
 Implemented
 (FY 2020)

GENERAL REVENUE (continued)

Cost - DOR
 (§§301.130.9,
 301.136, 301.3173,
 301.125)

OA-ITSD services	(\$49,734)	(\$388,800)	\$0	\$0
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Cost - DOR
 (§301.130.9)
 Administrative
 costs for advisory
 commission and
 for creation of
 bicentennial plates

Personal Services	(\$145,960)	(\$161,511)	(\$163,126)	\$0
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Fringe Benefits	(\$86,867)	(\$104,677)	(\$105,118)	\$0
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Equipment & Expense	<u>(\$14,013,915)</u>	<u>(\$4,885,342)</u>	<u>(\$1,846,626)</u>	<u>\$0</u>
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<u>Total Cost - DOR</u>	<u>(\$14,246,742)</u>	<u>(\$5,151,430)</u>	<u>(\$2,114,870)</u>	<u>\$0</u>
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Total FTE				
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Change - DOR	6 FTE	6 FTE	6 FTE	0 FTE
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**ESTIMATED NET
 EFFECT TO THE
 GENERAL
 REVENUE**

	<u>(\$14,294,475)</u>	<u>(\$5,522,951)</u>	<u>(\$2,087,222)</u>	<u>\$0</u>
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<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2017 (10 Mo.	FY 2018	FY 2019	Fully Implemented (FY 2020)
HIGHWAY FUND				
<u>Revenue - DOR</u> (§301.067) Permanent trailer fees	\$1,135,091	\$1,623,577	\$1,076,526	\$0
<u>Revenue</u> (§301.130.9) Reissuance cost recovery fee (75%)	\$0	\$10,158,162	\$2,708,843	\$677,211
<u>Revenue - DOR</u> (§301.136) Permanent registration fee (\$52.50) vs 1 year (\$7.50) or 3 year (\$22.50) registration fees	<u>\$0 or \$22,737</u>	(\$8,685) to <u>\$42,533</u>	(\$17,190) to <u>\$43,400</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE HIGHWAY FUND	<u>\$1,135,091 or</u> <u>\$1,157,828</u>	<u>\$11,773,054 or</u> <u>\$11,824,272</u>	<u>\$3,768,179 or</u> <u>\$3,828,769</u>	<u>\$677,211</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
LOCAL POLITICAL SUBDIVISIONS				
<u>Revenue - Cities</u>				
Reissuance Recovery Fees (15%)	\$0	\$2,031,632	\$541,769	\$135,442
<u>Revenue - Counties</u>				
Reissuance Recovery Fees (10%)	<u>\$0</u>	<u>\$1,354,422</u>	<u>\$361,179</u>	<u>\$90,295</u>
ESTIMATED NET EFFECT TO THE LOCAL POLITICAL SUBDIVISIONS				
	<u>\$0</u>	<u>\$3,386,054</u>	<u>\$902,948</u>	<u>\$225,737</u>

FISCAL IMPACT - Small Business

§301.067

A small business will be given the option to obtain a permanent trailer registration. License offices may see a reduction in processing fees collected from trailer registrations.

§301.136

There will be a small decrease in processing fees for license offices. License offices will no longer be receiving a \$3.50 processing fee for camping and fifth wheel trailers over 25 years of age that will receive a permanent registration

FISCAL DESCRIPTION

This proposal provides that the owner of a personal motor vehicle, other than an apportioned or commercial motor vehicle licensed in excess of 24,000 pounds, may apply for a special personalized license plate.

Currently, the owner of a motor vehicle, other than an apportioned motor vehicle or commercial motor vehicle licensed in excess of 18,000 pounds, may apply for a special personalized license plate.

This proposal establishes an advisory committee to design uniform designs and common colors for license plates and determine parameters for license plates. The committee is to design a color scheme and design for license plates commemorating the bicentennial of Missouri. The proposal establishes the composition of the advisory commission and requires the commission to develop design and license plate parameters no later than January 1, 2017.

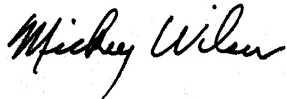
Currently, only a trailer or semitrailer that is operated coupled to a towing vehicle by a fifth wheel and kingpin assembly or by a trailer converter dolly may permanently register the trailer upon the payment of a \$25 fee. The proposal allows any trailer or semitrailer that is over twenty-five years old to be permanently registered.

This proposal also changes the inspection and licensure requirements for boat manufacturers and dealers to reflect the consolidation of the Missouri Water Patrol into the Missouri State Highway Patrol.

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 Public Safety
 Missouri Highway Patrol
Department of Transportation
Department of Corrections
Missouri Senate
Missouri House of Representatives



Mickey Wilson, CPA
Director
April 20, 2016

Ross Strobe
Assistant Director
April 20, 2016