

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6444-02
Bill No.: HCS for HB 2545
Subject: Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: March 29, 2018

Bill Summary: This proposal allows the issuance of personalized, specialty or military license plates for recreational trailers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$78,408)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$78,408)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

§301.067

Allows personalized specialty, and military license plates to be registered to "recreational trailers". A "recreational trailer" means a trailer used for the purpose of providing temporary housing quarters.

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Update procedures, correspondence letters, and the Department website;
- Update the Application for Personalized and Specialty License Plates (DOR-1716);
- Update the Application for Missouri Military Personalized License Plates (DOR-4601);
- Create a new plate type code; and
- Complete programming and user acceptance testing.

FY 2019 - Motor Vehicle Bureau

Management Analysis Spec I	410 hrs. @ \$18.42 per hr.	= \$7,552
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FY 2019 - Personnel Services Bureau

Management Analysis Spec I	40 hrs. @ \$18.42 per hr.	= \$ 737
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Administrative Analyst III	10 hrs. @ \$19.43 per hr.	= \$ 194
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Total		= \$ 931
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Total costs

\$8,483

The Department would need to notify 115 organizations who have a specialty license plates currently in production that they would need to accept three years' worth of emblem use fees for the issuance of a three-year trailer registration.

115	Organizations with a specialty plate in production
x \$.04	Cost per envelope
\$4.60	Cost for envelopes

ASSUMPTION (continued)

Administrative Impact (continued)

115	Organizations with a specialty plate in production
<u>x \$.025</u>	Cost per letter
\$2.88	Cost for letters

115	Organizations with a specialty plate in production
<u>x \$.49</u>	Cost per postage
\$56.35	Cost for postage

\$63.83 (\$64) Total Cost for Notifications in FY 2019

It is assumed the intent is for these trailer types to be the same as identified in §301.136, "Any camping or fifth-wheel trailer, as defined in section 407.1320".

As recreational trailers would be available in all specialty plate types, the Department would not create a new plate type code for a specialty plate until an application is received for a recreational trailer specialty plate.

The Department cannot determine how many applicants will obtain a personalized license plate for their recreational trailer. For the purpose of this fiscal note, the Department is basing its response on 200 applications received per year.

Set-up Cost for Personalized Plates:

The Department is charged \$125 for the initial set-up of the personalized plates. This one-time fee will be charged upon passage of this bill in FY 2019.

Plate Manufacturing Cost:

The Department pays \$3.75 per plate for manufacturing flat plates through Missouri Vocational Enterprises (MVE).

OA-ITSD services will be required at a cost of **\$78,408** (1,045.44 x \$75 per hour) 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 some of the costs related to this proposal; therefore, Oversight will reflect a fiscal impact of \$78,408 for IT services in FY 2019.

ASSUMPTION (continued)

Oversight also notes DOR estimated revenue for sales of new personalized plates; however, projected revenue is minimal (under \$11,000 distributed between the state’s Highway Fund, cities and counties) and therefore not reflected in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Cost - DOR - IT services</u>	<u>(\$78,408)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$78,408)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 bill allows personalized, specialty, or military license plates to be issued for recreational trailers. The required fees shall be determined by the Department of Revenue.


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

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe".

Acting Director
March 29, 2018