

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1257H.01I
Bill No.: HB 734
Subject: Motor Vehicles; Department of Revenue; Licenses - Motor Vehicle; Disabilities
Type: Original
Date: March 27, 2023

Bill Summary: This proposal modifies provisions relating to disabled placards.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
General Revenue*	(\$23,557)	\$0	\$0	\$115,941
Total Estimated Net Effect on General Revenue	(\$23,557)	\$0	\$0	\$115,941

*Savings due to decrease in inventory and postage costs for disabled placards being renewed every 8 years vs. 4 years (currently).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Total Estimated Net Effect on <u>Other State</u> Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
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 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Total Estimated Net Effect on FTE	0	0	0	\$0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

In order to implement the proposed changes, the Department will be required to:

- Update procedures, manuals, Department website, and correspondence letters;
- Update Department system(s); and
- Train staff.

FY 2024 – Motor Vehicle Bureau

Associate Research/Data Analyst 100 hrs. @ \$19.90/hr. = \$1,990

Lead Administrative Support Asst. 45 hrs. @ \$14.83/hr. = \$667

Administrative Manager 20 hrs. @ \$26.96/hr. = \$539

FY 2024 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$19.90/hr. = \$796

Total Cost = \$3,992

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of **\$23,557** in FY 2024 (247.97 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Revenue Impact

DOR notes, in equalizing the workload DOR will start to see a cost savings of \$115,941 beginning in the fifth year from placards being renewed every 8 years instead of 4. The cost savings will be in inventory and postage at \$1.23 per placard.

Oversight does not have information to the contrary and therefore, Oversight will reflect the savings as provided by DOR.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
GENERAL REVENUE				
<u>Savings</u> – DOR – decrease in inventory and postage costs related to disabled placards being renewed every 8 years vs. 4 years	\$0	\$0	\$0	\$115,941
<u>Cost</u> – DOR – OA-ITSD services	<u>(\$23,557)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$23,557)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$115,941</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
	<u>\$0</u>	<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 changes the duration of a disability placard from four years to eight years, and gives the Department of Revenue the authority to automatically renew them for eight years or the length of time of the current physician's statement expiration date, until all disability placards are on an eight-year renewal cycle.

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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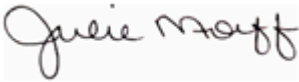
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SOURCES OF INFORMATION

Department of Revenue



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March 27, 2023



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March 27, 2023