

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5059-01
Bill No.: SB 1048
Subject: Licenses - Motor Vehicle; Revenue Department.
Type: Original
Date: February 24, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Highway Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** state the proposal would result in a decrease in revenue. MoDOT states they are unable to provide an estimate for this proposal, therefore, must rely upon the Department of Revenue.

Officials from the **Department of Revenue (DOR)** state this legislation requires that DOR refund the amount of the unused portion of the original registration fee if a motor vehicle is sold and is not being replaced upon the surrender of the license plates. Such refund shall be granted based upon the date the license plates are surrendered.

DOR states that because there are no statistics available to determine the volume of potential refunds, there could be significant loss in revenue for generating the refunds. The current distribution of fees goes 75% - Highway, 15% - Cities and 10% - Counties, so all three funds would be impacted. DOR assumes an unknown loss in revenue to the three funds, and the loss could be significant.

DOR assumes this additional accounting function may require additional FTE for the department depending on the volume of refunds.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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GENERAL REVENUE FUND

Costs - Department of Revenue

Possible additional costs relating to refunds of unused portion of registration fees (depending upon volume)	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
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ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	\$0 TO <u>(UNKNOWN)</u>	\$0 TO <u>(UNKNOWN)</u>	\$0 TO <u>(UNKNOWN)</u>
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HIGHWAY FUNDS

<u>Loss</u> - Refund of unused portion of registration fees (75%)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO HIGHWAY FUNDS	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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CITIES AND COUNTIES

<u>Loss</u> - Refund of unused portion of registration fees - cities (15%)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>Loss</u> - Refund of unused portion of registration fees - counties (10%)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO CITIES AND COUNTIES	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal allows a motor vehicle owner to receive a refund for the unused portion of a registration fee when the owner sells the motor vehicle and does not replace it with another. Under the current law, persons can receive credit for an unused portion of a registration fee if they cannot transfer their license plates to a newly acquired vehicle due to a change of vehicle category.

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 Transportation



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Director
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