

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3733-01N  
Bill No.: SB 890  
Subject: Licenses - Motor Vehicle; Revenue Department  
Type: Original  
Date: January 8, 2008

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Bill Summary: Prohibits commercial inserts or other forms of advertising from accompanying motor vehicle registration notices.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$690,334)	(\$853,252)	(\$878,850)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$690,334)</b>	<b>(\$853,252)</b>	<b>(\$878,850)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

ASSUMPTION

According to officials from the **Department of Revenue (DOR)**, by prohibiting advertising in renewal notices, DOS will have to incur all printing and envelope costs as well additional postage costs for 3.8 million renewal notices each year. These expenses are estimated at \$690,334 in FY 08, \$853,252 in FY 09, and \$878,850 in FY 10, in addition to the \$.191 per renewal notice for postage DOR currently pays. Currently, all other forms, printing, and envelope costs are paid for by the vendor in accordance with the contract, in return for DOR allowing advertising to be included with the notices.

**Office of Administration Information Technology (ITSD DOR)** estimates that this legislation could be implemented utilizing 3 existing CIT III for 2 months at a rate of \$25,116. ITSD DOR estimates the IT portion of this request can be accomplished within existing resources; however; if priorities shift, additional FTE/overtime would be needed to implement.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE</b>			
<u>Cost - DOR - Printing, envelope, and postage costs for vehicle registration renewal notices</u>	<u>(\$690,334)</u>	<u>(\$853,252)</u>	<u>(\$878,850)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$690,334)</u></b>	<b><u>(\$853,252)</u></b>	<b><u>(\$878,850)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

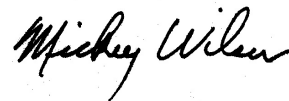
FISCAL DESCRIPTION

This proposed legislation prohibits the Department of Revenue from including commercial inserts or other forms of advertising in motor vehicle registration renewal notices.

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



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Director  
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