

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5214-01  
Bill No.: HB 1329  
Subject: Motor Vehicles; Licenses - Motor Vehicle; Revenue Department  
Type: Original  
Date: January 23, 2012

---

Bill Summary: This proposal revises laws relating to the issuance of temporary permits authorizing the temporary operation of a motor vehicle or trailer by a buyer.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$2,497,869	\$2,997,443	\$2,997,443
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$2,497,869</b>	<b>\$2,997,443</b>	<b>\$2,997,443</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Highway Fund	(\$2,289,713)	(\$2,747,655)	(\$2,747,655)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$2,289,713)</b>	<b>(\$2,747,655)</b>	<b>(\$2,747,655)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>(\$208,155)</b>	<b>(\$249,787)</b>	<b>(\$249,787)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Public Safety - Missouri Highway Patrol, Department of Transportation and Department of Insurance, Financial Institutions and Professional Registration** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Public Safety - Director's Office** assume that any cost associated with this proposal can be absorbed with existing resources.

Officials from the **Department of Revenue (DOR)** state this proposal changes the distribution of funds from highways, cities and counties to general revenue. However, there should be no administrative impact.

DOR assumes that on the occasion an applicant applies for an extended temporary registration permit the Director would only issue a second permit in very extenuating circumstances. Therefore, any revenue impact generated from the issuance of a second permit would be very minimal.

ASSUMPTION (continued)

DOR states this proposal (301.140.4 RSMo) changes the distribution of revenues generated from the sale of temporary permits. In FY 2011 the DOR issued 399,659 temporary permits at \$7.50 per permit in the amount of \$2,997,443. Under DOR's assumption, there will be a loss to the Highway Fund, cities, and counties, as shown below, and a subsequent increase to the General Revenue Fund.

The fees for temporary permits are currently distributed as follows:

\$5.00 - Highway Fund-	\$1,998,295
\$2.00 - 75% Highway Fund-	\$749,360
15% Cities-	\$149,872
10% Counties-	\$99,915

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Income</u> - Increase from temporary permit fees that had been going to highway and local funds	<u>\$2,497,869</u>	<u>\$2,997,443</u>	<u>\$2,997,443</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$2,497,869</u></b>	<b><u>\$2,997,443</u></b>	<b><u>\$2,997,443</u></b>
<b>HIGHWAY FUND</b>			
<u>Loss</u> - change in funding from Highway Fund to General Revenue	<u>(\$2,289,713)</u>	<u>(\$2,747,655)</u>	<u>(\$2,747,655)</u>
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>(\$2,289,713)</u></b>	<b><u>(\$2,747,655)</u></b>	<b><u>(\$2,747,655)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss</u> - Extended temporary permit fee is now going to state General Revenue	<u>(\$208,155)</u>	<u>(\$249,787)</u>	<u>(\$249,787)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>			
	<u>(\$208,155)</u>	<u>(\$249,787)</u>	<u>(\$249,787)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

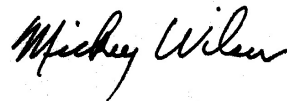
This proposal authorizes the Director of the Department of Revenue to issue a temporary permit authorizing the temporary operation of a motor vehicle or trailer by a buyer for not more than 30 days from the date of purchase. The temporary permit may be purchased from a dealer upon purchase of a motor vehicle or trailer for which the buyer has registered and is awaiting receipt of license plates for the use or right to use the highways of the state. The fee for the temporary permit cannot exceed \$7.50.

The department director may issue an extended temporary registration permit at his or her discretion for a motor vehicle or trailer while proper title and registration are being obtained.

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 Insurance, Financial Institutions and Professional Registration  
Department of Transportation  
Department of Public Safety  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Mickey Wilson, CPA  
Director  
January 23, 2012