

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1506-05  
Bill No.: Perfected SCS for SB Nos. 317 & 319  
Subject: Motor Vehicles; Revenue Department; Licensing - Motor Vehicle; Insurance Department; Insurance - General; Insurance Property  
Type: Original  
Date: April 17, 2013

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Bill Summary: This proposal allows proof of financial responsibility and other insurance-related documents to be provided or presented through electronic means.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<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 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Office of the State Courts Administrator, Office of the State Public Defender, Office of Prosecution Services and Missouri Highway Patrol** each assumed the current proposal would not fiscally impact their respective agencies.

Officials from the **Department of Revenue - Motor Vehicle Bureau (DOR)** state that procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,206 in FY 14. In addition, the department's website will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY 14.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity with regard to procedure and website changes, each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

### Amendment 2 Stolen License Plate Tabs

In response to similar legislation filed this year, SB 217, the following responded:

**DOR** stated procedures will need to be revised and the Application for Replacement Plate(s)/Tab(s) (DOR-1576) will need to be revised. This will require 80 hours of overtime for two Management Analyst Specialist I, at a cost of \$2,412 in FY '14. DOR's web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$325 in FY '14.

The Title and Registration Intranet Processing System (TRIPS) would need to be updated to no longer require a police report when issuing replacement tab(s) at no fee when the reason is indicated as stolen. The value of the level of effort is calculated on 8 FTE hours with a level of effort valued at \$216.

In summary, DOR assumes a cost of \$2,953 (\$2,412 + \$325 + \$216) in FY 2014 to provide for the implementation of the changes in this proposal.

ASSUMPTION (continued)

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

In FY 2012 there were 18,288 total replacement tabs issued when the originals were stolen. 4,454 of those replacement tabs were issued at no fee when a police report was presented for stolen tabs, leaving 13,834 issued with the \$8.50 replacement fee charged.

DOR assumes that by not requiring a police report for the issuance of replacement tabs at no fee when the originals were stolen and by requiring only a notarized affidavit of such, may result in the replacement tabs issued with a fee of \$8.50 now being able to obtain replacement tabs at no fee.

Revenue Impact

This proposal may result in a reduction of state revenue received from the \$8.50 replacement fee. As stated above, potentially 13,834 replacement tabs, normally assessed the replacement fee, may be issued at no fee if accompanied by a notarized affidavit.

This will result in an overall loss of \$97,991 in FY '14 (10 Months), and \$117,589 in FY '15 and '16 to the General Revenue Fund.

Current Replacement Tabs	18,288
Current Replacement Tabs at No Fee	- 4,454
New Tabs at no Fee	13,834
Replacement Tab Fee	x \$8.50
<b>Projected loss</b>	<b>\$117,589</b>

**Oversight** assumes many of those with stolen tabs will simply pay the \$8.50 fee instead of producing a notarized affidavit. Therefore, Oversight will assume a loss of revenue to the General Revenue Fund of Under \$100,000 for each year.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE</b>			
<u>Loss - DOR</u>	<u>(Less than</u>	<u>(Less than</u>	<u>(Less than</u>
Replacement Tab Fee	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(Less than</u></b>	<b><u>(Less than</u></b>	<b><u>(Less than</u></b>
	<b><u>\$100,000)</u></b>	<b><u>\$100,000)</u></b>	<b><u>\$100,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<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 proposal modifies the process for obtaining free license plate tabs. Under current law, any person replacing a stolen license plate tab may receive at no cost up to two sets of two license plate tabs per year when the application for the replacement tab is accompanied with a police report. This proposal replaces the police report with a notarized affidavit so that a person may receive up to two sets of license plate tabs per year when the application for the replacement tab is accompanied by a notarized affidavit verifying that the tab or tabs were stolen.

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 Insurance, Financial Institutions and Professional Registration  
Department of Revenue  
Office of the State Courts Administrator  
Office of the State Public Defender  
Office of Prosecution Services  
Missouri Highway Patrol



Ross Strobe  
Acting Director  
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