

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6131-01
Bill No.: HB 2380
Subject: Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: February 8, 2016

Bill Summary: This proposal allows owners of personal motor vehicles and owners of commercial motor vehicles licensed in excess of twelve thousand pounds to apply for special personalized license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$55,459)	(\$10,779)	(\$6,650)
Total Estimated Net Effect on General Revenue	(\$55,459)	(\$10,779)	(\$6,650)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from the **Department of Revenue (DOR)** state:

§ Section 301.010

Defines a "Personal Motor Vehicle" as "any noncommercial motor vehicle or noncommercial motor vehicle eligible to be licensed as a truck and primarily used for personal or recreational purposes. Such definition of a personal motor vehicle shall only apply to such vehicles applying for a specialized license plate."

§ Section 301.130

Changes weight from eighteen to twelve thousand pounds in regards to special personalized license plates.

§ Section 301.144

Changes weight from eighteen to twelve thousand pounds in regards to special personalized license plates.

§ Section 301.3150

Changes weight from eighteen to twelve thousand pounds in regards to the creation of a new specialty plate for an organization.

This proposal eliminates the availability of eighteen thousand pound license plates on commercial motor vehicles that would have been eligible for military, collegiate, and organizational specialty plates.

Administrative Impact:

Motor Vehicle Bureau

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2017.

ASSUMPTION (continued)

- The Application for Missouri Personalized and Special license Plates (DOR-1716) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2017.
- The Application for Military Personalized License Plates (DOR-4601) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2017.
- The Department's website will need to be updated. This will require 10 hours for an Administrative Analyst III, at a cost of \$240 in FY 2017.
- MVB user acceptance testing for identified system modifications. 80 hours for each system modification for a total of 160 hours by a Management Analyst Specialist I at a cost of \$3,560 in FY 2017.
- OA-ITSD services are required at a cost of \$32,400 (432 hours x \$75 per hour).

In summary, DOR assumes an administrative cost of **\$38,870** (\$890 + \$890 + \$890 + \$240 + \$3,560 + \$32,400) in FY 2017 for this proposal.

Specialty Plate Sections

There are currently 690 personalized and specialty 18,000 lb. license plates expiring at the end of 2016 (FY 2017), 406 at the end of 2017 (FY 2018), and 1 at the end of 2018 (FY 2019). Based on current statistics 54% of registrations are one year and 46% are two year. There will be a loss of \$15,111 in FY 2017, \$11,909 in FY 2018, and \$7,808 in FY 2019 from the annual \$15 (\$30 for biennial) personalized and specialty license plate.

§301.3172, RSMo, is not included in this proposal; therefore the Department will continue to issue Women Veteran specialty plates at 18,000 lbs.

In FY 2015 there were 239 personalized and specialty 18,000 lb. license plates ordered at a cost of \$3.50 per plate. This proposal will eliminate the need to order these types of plates, resulting in a savings to General Revenue of \$697 in FY 2017 (10 Months), \$857 in FY 2018, and \$879 in FY 2019.

The Department incurs costs for mailing notifications to applicants notifying them their personalized and specialty license plates are ready for pickup at the respective license office.

ASSUMPTION (continued)

By not having to mail 239 notices to applicants this will result in a savings to General Revenue of \$111 in FY 2017 (10 Months), \$136 in FY 2018, and \$139 in FY 2019 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49).

Currently it costs the Department, on average, \$5.55 to ship a box of 10 plates to contract offices once they have completed the manufacturing process through Missouri Vocational Enterprises (MVE).

Not having to ship 24 (239/10) boxes of 18,000 lb. personalized and specialty license plates, will result in a savings to General Revenue of \$111 in FY 2017 (10 Months), \$137 in FY 2018, and \$140 in FY 2019.

Note: \$5.55 is an average cost, the cost may decrease or increase based on the weight of the package, the area to which it is being sent, and how many boxes are being sent at one time.

In summary, DOR assumes a savings of **\$919** (\$697 + \$111 + \$111) in FY 2017, **\$1,130** (\$857 + \$136 + \$137) in FY 2018 and **\$1,158** (\$879 + \$139 + \$140) in FY 2019.

The Department will mail a letter notifying each citizen that has been issued an 18,000 lb. personalized and specialty license plate, to surrender their current plate and require them to obtain a stock license plate.

The Department will need to mail 1,097 letters to the active 18,000 lb. registrations expiring in December 2016, 2017, and 2018, at a cost of \$609 in FY 2017 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49).

The Department will need to issue 1,097 18,000 lb. embossed plates in lieu of the 18,000 lb. specialty plates (\$1.63 per plate) at a cost to General Revenue of \$1,788 in FY 2017.

In summary, DOR assumes a specialty plate and mailing cost of **\$2,397** (\$609 + \$1,788) in FY 2017.

This proposal may have additional unknown impact on the Department in the amount of phone and email correspondence. If the volume is significant enough that it cannot be absorbed by existing staff, additional FTE(s) will be requested through the appropriation process.

ASSUMPTION (continued)

Officials from the **Department of Public Safety - Missouri Highway Patrol** and **Department of Corrections** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from 2015, officials from the **Department of Transportation** and **Department of Insurance, Financial Institutions and Professional Registration** assumed the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Savings</u> - DOR	\$919	\$1,130	\$1,158
Mailing notices and shipping specialty plates			
<u>Costs</u> - DOR	(\$41,267)	\$0	\$0
Administrative, mailing and specialty plates			
<u>Loss</u> - DOR	(\$15,111)	(\$11,909)	(\$7,808)
Elimination of 18,000 lb specialty license plates			
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$55,459)</u>	<u>(\$10,779)</u>	<u>(\$6,650)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

A direct fiscal impact to organizations receiving donations from specialty license plates would be expected as a result of this proposal.

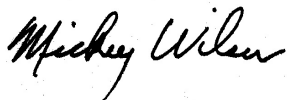
FISCAL DESCRIPTION

This proposal provides that the owner of a personal motor vehicle, other than an apportioned or commercial motor vehicle licensed in excess of 12,000 pounds, may apply for a special personalized license plate. Currently, the owner of a motor vehicle, other than an apportioned motor vehicle or commercial motor vehicle licensed in excess of 18,000 pounds, may apply for a special personalized license plate.

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 Public Safety
 Missouri Highway Patrol
Department of Transportation
Department of Corrections
Department of Insurance, Financial Institutions and Professional Registration



Mickey Wilson, CPA
Director
February 8, 2016

Ross Strobe
Assistant Director
February 8, 2016