

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1961-01
Bill No.: Perfected SB 371
Subject: Licenses - Motor Vehicle; Department of Revenue; Transportation
Type: Original
Date: March 28, 2019

Bill Summary: This proposal specifies that recreational trailer registration fees shall be payable in the month of May.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$15,471) to (\$66,632)	\$0 to (\$80,631)	\$0 to (\$81,312)
Total Estimated Net Effect on General Revenue	(\$15,471) to (\$66,632)	\$0 to (\$80,631)	\$0 to (\$81,312)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Total Estimated Net Effect on FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

☐ 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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Oversight notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

Administrative Impact

To implement the proposed changes, the Department will be required to:

- Update procedures and the Department website;
- Update correspondence letters; and
- Complete programming and user acceptance testing for identified systems.

FY 2020 - Motor Vehicle Bureau

Management Analysis Spec I	240 hrs. @ \$18.42 per hr.	= \$4,421
Total		= \$4,421

FY 2020 - Personnel Services Bureau

Management Analysis Spec I	40 hrs. @ \$18.42 per hr.	= \$737
Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$198
Total		= \$935

Total Costs **= \$5,356**

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of **\$15,471** (206.28 hours x \$75 per hour) in FY 2020.

ASSUMPTION (continued)

Administrative Impact (continued)

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the MORE mainframe system. ITSD estimates the project would take 206.28 hours at a contract rate of \$75 per hour for a total cost to the state of \$15,471. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$15,471) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

It is assumed that "recreational trailer" one and three year registrations will still expire annually (December 31st) as prescribed for all trailers in §301.030. Currently, §301.030 allows all trailers to have an extension on fees payable until the last day of February. It is assumed this proposal extends (defers) this for recreational trailers until the last day of May.

Oversight notes the current due date for trailer registrations is in December. This proposal changes the due date (instead of December 2019) to May, 2020. Oversight notes December, 2019 and May, 2020 are both in the same fiscal year; therefore, Oversight assumes there will not be a revenue impact from this change in FY 2020 or any year going forward.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Cost - DOR - ITSD costs (ranged from contracting out programming (\$15,471) to hiring one additional FTE IT Specialist)</u>	(\$15,471) to <u>(\$66,632)</u>	\$0 to <u>(\$80,631)</u>	\$0 to <u>(\$81,312)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$15,471) to <u>(\$66,632)</u>	\$0 to <u>(\$80,631)</u>	\$0 to <u>(\$81,312)</u>
Estimated Net FTE Change to the General Revenue Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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 act specifies that registrations for recreational trailers, as defined in the act, shall be payable in the month of May. Any fee that would have been due in December of 2019 shall be deferred until May of 2020.

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 Transportation
Department of Public Safety - Missouri Highway Patrol
Department of Revenue

Kyle Rieman
Director
March 28, 2019



Ross Strope
Assistant Director
March 28, 2019