

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4789-02
Bill No.: SB 867
Subject: Cooperatives; Licenses - Motor Vehicle; Motor Carriers; Motor Vehicles;
 Department of Revenue; Department of Transportation; Transportation; Utilities
Type: Original
Date: February 25, 2020

Bill Summary: This proposal modifies provisions relating to special license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$40,118)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$40,118)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
State Road Fund	(Up to \$52,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Up to \$52,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

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

- Update procedures and the Department website;
- Update the Application for Missouri Personalized and Special License Plates (DOR-1716);
- Complete programming and user acceptance testing for identified systems.

FY 2021 - Motor Vehicle Bureau

Management Analysis Spec I	240 hrs. @ \$18.42 per hr.	= \$4,421
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FY 2021 - Strategy and Communications Office

Administrative Analyst III	10 hrs. @ \$19.80 per hr.	= \$ 198
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FY 2021 - General Services Bureau

Administrative Office Support Assistant	5 hrs. @ \$13.78 per hr.	= \$ 69
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Total Costs		= \$4,688
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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 **\$40,118** in FY 2021 (422.29 hours x \$95 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

ASSUMPTION (continued)

Revenue Impact

DOR notes this legislation will result in an increase in the \$15 specialty plate reservation fees collected. It is unknown how many applicants will elect to obtain an Association of Missouri Electric Cooperatives plate that normally did not qualify due to the vehicle weight exclusion, but the increase should be minimal. \$15 specialty plate reservation fees are split 75-15-10 to Highways, Cities, and Counties.

Oversight assumes the increase in revenue due to the vehicle weight exclusion will be minimal; therefore, Oversight will not reflect the increase on the fiscal note.

Oversight notes no special license plates for the Association of Missouri Electric Cooperatives have been issued as of February 6, 2019. The required \$5,000 fee and 200 applicants provision has not yet been met in order to issue the plates.

Officials from the **Department of Transportation (MoDOT)** assume this legislation would direct MoDOT's Motor Carrier Services (MCS) Division to undertake a complex recoding of the computer system regarding Missouri's participation in the International Registration Plan, which governs apportioned license plates. MoDOT would likely need to work with the Department of Revenue to negotiate through production rules and schedules.

The required changes to MoDOT's Carrier Express, the Motor Carrier Services (MCS) computer system, are estimated to cost in excess of \$44,000 in vendor and Information Systems staff salary costs and \$5,000 to \$8,000 in MCS staff salary costs. These estimates are based on costs calculated in response to a change from a single prior plate design to the current Bicentennial plate. The Bicentennial plate costs allow for a single design and configuration scheme. MoDOT anticipates greater complexities and cost increases for multiple designs and number/letter configurations.

Oversight does not have any information to the contrary in regards to MoDOT's assumptions; therefore, Oversight will reflect MoDOT's costs of "Up to \$52,000" on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE			
<u>Cost - DOR - OA-ITSD services</u>	<u>(\$40,118)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$40,118)</u>	<u>\$0</u>	<u>\$0</u>
STATE ROAD FUND			
<u>Cost - MoDOT - programming costs</u>	<u>(Up to \$52,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>(Up to \$52,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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 repeals a restriction on the vehicle types for which the Association of Missouri Electric Cooperatives may approve the use of its logo on special license plates, and directs the Department of Revenue to issue the plates for commercial vehicles of any weight classification.

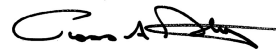
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation



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Director
February 25, 2020



Ross Strobe
Assistant Director
February 25, 2020