

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3361S.01I
 Bill No.: SB 912
 Subject: Disabilities; Licenses - Motor Vehicle; Motor Vehicles; Department of Revenue;
 Transportation; Veterans
 Type: Original
 Date: January 30, 2024

Bill Summary: This proposal modifies provisions relating to motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
General Revenue	(\$279,391)	(\$205,470)	(\$205,470)	(\$89,529)
Total Estimated Net Effect on General Revenue	(\$279,391)	(\$205,470)	(\$205,470)	(\$89,529)

*Part of FY 2025 ITSD costs (approximately \$48,921) is to implement the bill's changes into the current system. If the implementation of the bill's changes could coincide with the new system, these expenses would not be incurred.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
Total Estimated Net Effect on FTE	0	0	0	\$0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2029)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

In order to implement the proposed changes, the Department will be required to:

- Update procedures, manuals, Department website, and correspondence letters;
- Update Department system(s); and
- Train staff.

FY 2025 – Motor Vehicle Bureau

Associate Research/Data Analyst 100 hrs. @ \$25.22/hr. = \$2,522

Research/Data Analyst 40 hrs. @ \$27.00/hr. = \$1,080

Administrative Manager 20 hrs. @ \$29.31/hr. = \$586

FY 2026 – MVB Systems Analysis Support

Associate Research/Data Analyst 117 hrs. @ \$21.64/hr. = \$2,532

Research/Data Analyst 44 hrs. @ \$27.00/hr. = \$1,188

Administrative Manager 22 hrs. @ \$29.31/hr. = \$645

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$21.64/hr. = \$867

Administrative Manager 10 hrs. @ \$29.31/hr. = \$293

Total Cost = \$9,713

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. If multiple bills are passed that require department resources, FTE may be requested through the appropriations process.

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, in equalizing the workload, DOR will start to see a cost savings of **\$115,941** beginning in the fifth year from disabled placards being renewed every 8 years instead of 4. The cost savings will be in inventory and postage at \$1.23 per placard.

Oversight does not have information to the contrary and therefore, will reflect the cost savings indicated by DOR starting in FY 2029.

DOR notes OA-ITSD services will be required at a cost of **\$48,921** in FY 2025 (465.91 hours x \$105 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.

Fusion Impact

Implementation consultant \$250/hour x 100 hours = **\$25,000**

The costs associated with these legislative changes may be outside of the current contract and identified programming work for the incoming integrated system. As such, the department has included the potential costs associated with making the changes to the integrated system by the department's current vendor.

Oversight does not have information to the contrary and therefore, Oversight will reflect the implementation consultant costs as provided by DOR.

Revenue Impact – Section 301.3030

DOR notes the following:

FY 2022	1,648 military plates were reserved that had a fee of \$15 per reservation. Loss of \$24,720
FY 2023	1,805 military plates were reserved that had a fee of \$15 per reservation. Loss of \$27,075

On average 1,726 plates of the type are reserved that is an estimated **\$25,890** loss each year. This is just for the initial application for the last two fiscal years.

Currently there are 11,972 plates involving military actions or personnel that are registered. The customer pays \$15 a year for personalization fees.

Of those 2,210 are currently registered for one year, which is a **\$33,150** loss to the department.

9,762 are currently registered for two years, which is a **\$292,860** loss to the department.

Total loss is estimated to be **\$351,900**

DOR notes, with their current system, they are unable to determine if someone has more than one set of special plates; however, they estimate that this occurrence would be minimal.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as “Up to...” the amounts provided by DOR. Oversight will reflect the \$292,860 loss from military plates that are registered for two years as **half** that amount (\$146,430) per year as if they were registered for one year for a more accurate estimate. Therefore, the total loss to DOR will be “Up to \$205,470” (\$25,890 + \$33,150 + \$292,860/2) per year.

Officials from the **Missouri National Guard** and **Missouri Veterans Commission** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2029)
GENERAL REVENUE				
<u>Cost</u> – DOR – OA-ITSD services	(\$48,921)	\$0	\$0	\$0
<u>Cost</u> – DOR –implementation consultant for system changes	(\$25,000)	\$0	\$0	\$0
<u>Savings</u> – DOR – decrease in mailing cost	\$0	\$0	\$0	\$115,941
<u>Loss</u> – special license plate fees for military registrations	(\$205,470)	(\$205,470)	(\$205,470)	(\$205,470)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$279,391)	(\$205,470)	(\$205,470)	(\$89,529)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2029)
	\$0	\$0	\$0	\$0

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act modifies provisions relating to motor vehicles.

This act provides that applicants for a disabled license plate or windshield placard who have presented proof of disability in the form of a statement from the United States Veterans' Administration verifying that the person is permanently disabled shall not be required to provide physician's statements of physical disability for issuance or renewal of the license plate or windshield placard.

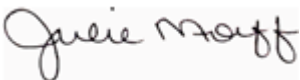
The act also specifies that disabled windshield placards shall be renewed every 8 years, rather than 4, and makes technical modifications to the underlying statute.

This act specifies that special license plates involving military actions or personnel shall not be subject to a special fee for issuance or personalization of one set of the plates issued to each qualified applicant.


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
Missouri National Guard
Missouri Veterans Commission



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January 30, 2024