

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2448-01  
BILL NO.: SB 568  
SUBJECT: Motor Vehicle License and Registrations  
TYPE: Original  
DATE: January 17, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	(\$167,476)	(\$292,997)	(\$293,222)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$167,476)</b>	<b>(\$292,997)</b>	<b>(\$293,222)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses  
 This fiscal note contains 4 pages.

**FISCAL ANALYSIS**

ASSUMPTION

The **Department of Revenue (DOR)** contacted the Missouri Department of Corrections (DOC) to determine the cost for an inside front and rear window set of "tabs." The DOC estimated that 1" by 1" inside tabs (the size of the current outside plate tabs) would cost approximately \$.20 per set. Since this proposal is not specific to the size of the tab that would be required for inside tabs, this fiscal estimate is based on the current size. Currently, the cost of the outside plate tabs is \$.13 per set. The Motor Vehicle Bureau (MVB) would incur an *additional* \$.07 per set for inside window tabs. According to the DOC, the cost difference is based on the different type of adhesive that would have to be used for inside window stickers. The DOR assumes if larger tabs were required, the cost for tabs would increase accordingly. **Note:** Section 301.130.1 - states that the plate shall contain the month and year in which the registration shall expire. This statement seems to conflict with section 301.130.8(2). The following fiscal estimate is based on issuing only ONE set of tabs for the inside windows. In addition, the state currently budgets money for year tabs, therefore, the fiscal impact is based on the cost difference of \$.07 per set.

Due to the implementation of biennial registrations effective 7/1/00, DOR assumes that one-half of 4,600,000 registrations will be eligible for biennial registrations in FY 01. DOR projects 25% will elect a biennial registration in FY 01 and 25% in FY 02. As a result, 575,000 individuals, out of the 4,600,000 registrations, will elect biennial registrations that will expire in FY 03. ( $4,600,000 \times 50\% \times 25\% = 575,000$ ) Thus, there will be a reduction in FY02 for the total number of tabs issued ( $4,600,000 - 575,000 = 4,025,000$ ).

**FY01** -  $4,600,000 \times \$0.07 = \$322,000$  @ 6 months = \$161,000 Additional Tab Costs

**FY02** -  $4,025,000 \times \$0.07 = \$281,750$  Additional Tab costs

**FY03** -  $4,025,000 \times \$0.07 = \$281,750$  Additional Tab costs

DOR assumes it is the intent of this legislation to decrease the number of stolen tabs in Missouri. Statistics from the state of Texas indicates that stolen tabs will decrease by approximately 50%. In FY96 DOR replaced 16,714 tabs due to theft. DOR estimated FY96 tab thefts based on the number of plates re-issued in FY97. DOR estimates that in FY00 the MVB will have to replace 18,092 tabs due to theft. Using a 2% growth rate each year, DOR estimates 18,454 tabs will have to be replaced in FY 01, 18,823 in FY 02 and 19,199 in FY 03. If tab theft decrease by 50%, the amount of savings would be:

FY01 =  $18,454 \times 50\% = 9,227 \times \$0.07 = \$646$  @ 6 months (FY01) = \$323

FY02 =  $18,823 \times 50\% = 9,412 \times \$0.07 = \$659$

FY03 =  $19,199 \times 50\% = 9,599 \times \$0.07 = \$672$

ASSUMPTION (continued)

The projected savings from the decrease in stolen tabs is being deducted from the total cost.

**NET TAB COSTS**

**FY01 = \$160,677**

**FY02 = \$281,091**

**FY03 = \$281,078**

In addition, the MVB would incur costs of \$6,799 in FY 01, \$11,906 in FY 02 and \$12,144 in FY 03 for procedures, forms, and postage.

The **Department of Transportation** and the **Department of Public Safety - Missouri Highway Patrol** assume they would not be fiscally impacted by this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
<b>HIGHWAY FUND</b>			
<u>Cost - DOR</u>			
Forms - printing and postage	(\$6,799)	(\$11,906)	(\$12,144)
Plates and tabs	(\$160,677)	(\$281,091)	(\$281,078)
<b>Estimated Net Effect on HIGHWAY FUND</b>	<b><u>(\$167,476)</u></b>	<b><u>(\$292,997)</u></b>	<b><u>(\$293,222)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (6 Mo.)	FY 2002	FY 2003
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act requires that after January 1, 2001, Motor Vehicle License plate renewal stickers shall be

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placed in the windshield and rear window.

The act also combines two different previously enacted versions of Section 301.130, RSMo.

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  
Department of Public Safety - Missouri Highway Patrol



Jeanne Jarrett, CPA  
Director  
January 17, 2000