

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3151-01
BILL NO.: SB 731
SUBJECT: Motor Vehicles; Free Registrations; Purple Heart
TYPE: Original
DATE: January 25, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	(\$46,939)	(\$37,306)	(\$37,306)
Railroad Grade Crossing Fund	(\$603)	(\$483)	(\$483)
Total Estimated Net Effect on <u>All</u> State Funds	(\$47,542)	(\$37,789)	(\$37,789)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(\$15,347)	(\$12,278)	(\$12,278)

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

FISCAL ANALYSIS

ASSUMPTION

The **Department of Revenue (DOR)** stated the Motor Vehicle Bureau (MVB) issued 1,680 purple heart license plates in FY 99. The average registration fee was \$27, however recipients of purple heart plates are only required to pay the \$15 special plate fee at the initial time of application and not at renewal title. This excludes the \$.25 Railroad Grade Crossing fee. In FY99, 249 owners applied for new purple heart plates.

The Motor Vehicle Bureau will insert a flyer with each special/personalized plate renewal notice informing the applicant that these fees are being eliminated. Thus the MVB will incur expenses in amount of \$898 for FY01 for policy revisions, envelopes, flyers and postage. For FY02 & 03 the expenses will be \$473.

REVENUE IMPACT

Because these are “free” registrations, and Senate Bill 19 from last year requires the option of biennial registration, the MVB assumes that these individuals will take advantage of the biennial option the first year. Accordingly, 50% of the applicants will get a biennial registration in FY01 and 50% in FY02. The calculated loss in registration fees is as follows:

FY 01

Highway Fund	(\$46,041)
Cities	(\$9,208)
Counties	(\$6,139)
RR Grade Crossing	(\$603)

FY 02 & 03

Highway Fund	(\$36,833)
Cities	(\$7,367)
Counties	(\$4,911)
RR Grade Crossing	(\$483)

Officials from the **Department of Transportation** concur with the Department of Revenue’s response to this proposal.

Officials from the **Secretary of State** assume this proposal would not fiscally or administratively impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

HIGHWAY FUND

<u>Costs - Department of Revenue</u>			
Flyers, Postage, Policies	(\$898)	(\$473)	(\$473)
<u>Loss - Department of Revenue</u>			
Registration fees	(\$46,041)	(\$36,833)	(\$36,833)
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$46,939)</u>	<u>(\$37,306)</u>	<u>(\$37,306)</u>

RAILROAD GRADE CROSSING FUND

<u>Loss - Department of Revenue</u>			
Registration fees	(\$603)	(\$483)	(\$483)
ESTIMATED NET EFFECT ON RAILROAD GRADE CROSSING FUND	<u>(\$603)</u>	<u>(\$483)</u>	<u>(\$483)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
CITIES and COUNTIES			
<u>Loss - Cities</u>			
Registration fees	(\$9,208)	(\$7,367)	(\$7,367)
<u>Loss - Counties</u>			
Registration fees	(\$6,139)	(\$4,911)	(\$4,911)
ESTIMATED NET EFFECT ON CITIES AND COUNTIES	<u>(\$15,347)</u>	<u>(\$12,278)</u>	<u>(\$12,278)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

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This proposal allows a Purple Heart recipient to receive free registration and Purple Heart License plates for two motor vehicles.

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
Missouri Highway Patrol



Jeanne Jarrett, CPA
Director
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