

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0321-01
Bill No.: SB 117
Subject: Motor Vehicles; Licenses-Motor Vehicles; Revenue Dept.
Type: Original
Date: January 24, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	(Unknown)*	(Unknown)*	(Unknown)*

* Unknown could exceed \$100,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Highway Fund	(Unknown)*	(Unknown)*	(Unknown)*
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)*	(Unknown)*	(Unknown)*

*Unknown could exceed \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	(Unknown)*	(Unknown)*	(Unknown)*

*Unknown could exceed \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Public Safety- Missouri State Highway Patrol** assume this proposal would not have fiscal impact on their agency.

Officials with the **Department of Revenue (DOR)** assume this proposal could have fiscal impact on their agency; however, the effect is difficult to estimate. DOR assumes that this proposal broadens the definition of a driveaway operation to include "for the purpose of transporting vehicles from one place to another." This new definition could have unknown fiscal impact for the following reasons:

- Commercial Motor Vehicles could operate by paying the driveaway fee rather than the normal registration fee.
- Driveaway plates are not issued to a specific vehicle, therefore any vehicle could go from one location to another without requiring registration thereby not paying sales tax and registration fees.

-Towing vehicles could operate by paying the driveaway fee rather than the normal registration fees

ASSUMPTION (continued)

DOR assumes that any of the above examples could potentially cause a significant decrease in registration fees and sales tax. DOR further assumes that there could be an increase in cost for the additional driveaway plates and permits.

Oversight assumes there would not be additional cost associated with a different type of plate being issued.

Officials with the **Department of Transportation (MoDOT)** assume the fiscal impact of the proposal cannot be easily quantified, since it is difficult to determine how many people would realize that the legislation might permit them to license their vehicles at a reduced rate. The annual license fee for driveaway operation is \$44.50. MoDOT assumes the broad language of the new provision could be interpreted to include almost any movement of a motor vehicle or trailer by a person other than a dealer over a public highway, as long as the vehicle is transported from one place to another. Therefore, under the proposed legislation, almost anyone could obtain a vehicle license for an annual fee of \$44.50. MoDOT anticipates that this proposed statutory change could have a significant negative impact on its revenue, although the amount cannot be easily quantified.

This proposal could decrease total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE

Income (Loss)

Decrease in Sales Tax*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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EFFECT ON GENERAL REVENUE	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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*Unknown could exceed \$100,000

HIGHWAY FUND

Income (Loss)

Decrease in plate fees*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
EFFECT ON HIGHWAY FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
*Unknown could exceed \$100,000			
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<u>Income-(Loss)- Cities</u>			
Decrease in plate fees**	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Decrease in sales tax*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Total Income (Loss)-Cities</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Income (Loss)- Counties</u>			
Decrease in plate fees**	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Decrease in sales tax*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Total Income (Loss)-Counties</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
NET ESTIMATED EFFECT ON LOCAL FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
*Unknown could exceed \$100,000			
** Unknown not expected to exceed \$100,000			

FISCAL IMPACT - Small Business

This proposal could have direct fiscal impact to small businesses. A business which is dependent on vehicles could have reduced registration fees and sales tax.

DESCRIPTION

This proposal could expand the definition of a driveway operation. This definition could allow driveway plates or permits to be used for the purpose of transporting vehicles from one place or another.

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 State Highway Patrol



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Director
January 24, 2003