

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2179-01  
Bill No.: HB 714  
Subject: Licenses- Motor Vehicle,  
Type: Original  
Date: April 15, 2003

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Freedom=Choice	\$2,315	\$32,000	\$32,000
Highway	\$12,184	\$14,625	\$14,625
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$14,499</b>	<b>\$46,625</b>	<b>\$46,625</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$4,063</b>	<b>\$4,875</b>	<b>\$4,875</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials with the **Department of Transportation and State Treasurer's Office** assume this proposal would have no impact on their agencies.

Officials with the **Department of Health and Senior Services** note there could be an increase in the amount of funds available to the Family Planning Program but this amount is unknown. For fiscal note purposes, **Oversight** will use the data provided by the Department of Revenue.

Officials with the **Department of Revenue (DOR)- Division of Motor Vehicle and Drivers Bureau (DVSB)** assume this proposal could have fiscal impact on their organization. The DVSB cannot determine the number of plates that will be issued as a result of this legislation. Therefore, the revenue impact is based on the issuance of 1300 plates. If the volume of applications for this plate type substantially exceeds 1300, the department may require additional appropriations. There is a \$15 application fee for this plate.

**Oversight** assumes there could also be increased revenue from the donation to the Freedom=Choice fund of \$25 per year.

ASSUMPTION (continued)

FY 04 (10 months) Income

1083 plates issued* \$15 plate fee	\$16,245
Contributions to Fund 1083*\$25	\$27,075

FY 05 Income

1300 plates issued* \$15 plate fee	\$19,500
Contributions to Fund 1300*\$25	\$32,500

FY 06 Income

1300 plates issued * \$15 plate fee	\$19,500
Contributions to Fund 1300*\$25	\$32,500

According to the Missouri Constitution, this revenue is to be dispersed in the following manner:

State Road Fund	75%
Cities	15%
Counties	10%

DVSB notes that prior to last year specialty plates were developed, designed and provided to DOR by the Missouri Vocational Enterprises. The Missouri Vocational Enterprises recently contracted with a vendor to now provide all Missouri specialty plates. The costs will be shown for all specialty license plate bills accordingly.

This contract requires DOR to pay:

- \$250 new plate design set-up fee (if applicable)
- \$50 per modification for a new plate design (if applicable)
- \$80 per revision to existing plate designs (if applicable)
- \$4.50 per plate for freight shipping to DOR

DOR further assumes their agency could incur cost for special literature, procedures, mailings to agencies, plates, tabs and storage at the State Data Center.

Officials with **DOR- Information and Technology Bureau (ITB)** assume that implementing this proposal could require 180 hours of overtime programming to modify the special plate reservation program, the renewal pull program for fees and the Uniform Field Office System.

ASSUMPTION (continued)

FY 04-Cost

Procedures and Forms	\$927
Postage	\$8,536
Plates and Tabs	\$8,112
Sample plates and Literature	\$2,464
Programming	\$4,221
<u>Storage</u>	<u>\$500</u>
Total	\$24,760

FY 05 Cost

Storage at State Data Center	\$500
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FY 06 Cost

Storage at State Data Center	\$500
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To implement this legislation, the DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including the DOR) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

**Oversight** assumes that the provisions of would permit appropriations from the Freedom=Choice Fund to DOR. These funds could be used to offset the cost of implementing this proposal.

This proposal could increase state revenue through a \$25 contribution to the Freedom=Choice Fund and plate fees.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>FREEDOM=CHOICE FUND</b>			
<u>Income</u>			
Plate Contributions	\$27,075	\$32,500	\$32,500
<u>Cost</u>			
Appropriation to DOR for costs*	<u>(\$24,760)</u>	<u>(\$500)</u>	<u>(\$500)</u>
<b>NET ESTIMATED EFFECT ON FREEDOM=CHOICE FUND</b>	<b><u>\$2,315</u></b>	<b><u>\$32,000</u></b>	<b><u>\$32,000</u></b>
*This proposal does not make the appropriation mandatory.			
<b>HIGHWAY FUND</b>			
<u>Income-Department of Revenue</u>			
License Plate Fee	\$12,184	\$14,625	\$14,625
Appropriations from Choice Fund	\$24,760	\$500	\$500
<u>Cost-Department of Revenue</u>			
Forms and Postage	(\$9,463)	\$0	\$0
Programming salaries	(\$4,221)	\$0	\$0
Literature and Sample Plates	(\$2,464)		
Storage	(\$500)	(\$500)	(\$500)
Plates and Tabs	<u>(\$8,112)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost-DOR</u>	<u>(\$24,760)</u>	<u>(\$500)</u>	<u>(\$500)</u>
<b>NET ESTIMATED EFFECT ON HIGHWAY FUND</b>	<b><u>\$12,184</u></b>	<b><u>\$14,625</u></b>	<b><u>\$14,625</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>LOCAL FUNDS</b>			
<u>Income-Cities</u>			
License Plate Fee	\$2,438	\$2,925	\$2,925
<u>Income-Counties</u>			
License Plate Fee	<u>\$1,625</u>	<u>\$1,950</u>	<u>\$1,950</u>
<b>NET ESTIMATED EFFECT ON LOCAL FUNDS</b>	<b><u>\$4,063</u></b>	<b><u>\$4,875</u></b>	<b><u>\$4,875</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal could establish a “Freedom = Choice” special license plate and a “Freedom = Choice” support fund.

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 Health and Senior Services  
Department of Transportation

EJ:LR:OD (12/02)

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State Treasurer's Office

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
April 15, 2003