

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3132-01
Bill No.: HB 1672
Subject: Licenses - Motor Vehicle; Military Affairs; Motor Vehicles; Revenue Department
Type: Original
Date: February 15, 2010

Bill Summary: This proposal removes the emblem use fee currently charged for military veteran license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Highway Fund	(\$1,451)	(\$1,451)	(\$1,451)
Total Estimated Net Effect on Other State Funds	(\$1,451)	(\$1,451)	(\$1,451)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	(\$484)	(\$484)	(\$484)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Highway Patrol** and **Missouri Veterans Commission** state this proposed legislation will have no fiscal impact on their respective agencies.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

According to officials from the **Department of Revenue (DOR)**, there were 129 U.S. Veteran license plates issued in FY 09. Assuming the same number will apply for the a U.S. Veteran plate annually, there will be a decrease of \$1,935 per year due to elimination of the \$15 fee currently required of U.S. Veteran license plate applicants that is constitutionally distributed as follows:

75% - Highway Fund	(\$1,451)
15% - Cities	(\$ 290)
10% - Counties	(\$ 194)

The Department of Revenue, in response to proposals similar to, or identical to, this one in previous sessions indicated DOR planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff, and the limitations within the DOR motor vehicle legacy systems, changes cannot be made without significant impact to DOR resources and budget. Therefore, the fiscal impact of this proposal is estimated as follows:

ASSUMPTION (continued)

ADMINISTRATIVE IMPACT

Motor Vehicle Bureau:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- The Application for Missouri Personalized and Specialty License Plates (DOR-1716) will need to be revised. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 11.
- The DOR web site will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes DOR could absorb the personal service costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Information Technology - OA-ITSD (DOR):

System Modifications: The Title and Registration Intranet Processing System (TRIPS) plate table would need to be updated to reflect the elimination of the \$15 specialty plate fee for U.S. Veteran plates. This modification will have minimal impact and will be absorbed.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
HIGHWAY FUND			
<u>Revenue Reduction</u> - Elimination of certain specialty plate fees	(\$1,451)	(\$1,451)	(\$1,451)
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$1,451)</u>	<u>(\$1,451)</u>	<u>(\$1,451)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Reduction</u> - Cities and Counties - Elimination of certain specialty plate fees	(\$484)	(\$484)	(\$484)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(\$484)</u>	<u>(\$484)</u>	<u>(\$484)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, any person applying for a "U. S. VET" special license plate must pay a \$15 fee in addition to the regular registration fees. This proposal removes the \$15 additional fee.

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 Public Safety
 Missouri Veterans Commission
 Missouri State Highway Patrol
Office of Secretary of State
 Administrative Rules Division



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