

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0191-01
Bill No.: SB 26
Subject: Motor Vehicles; Licenses - Motor Vehicle; Revenue Department
Type: Original
Date: January 25, 2011

Bill Summary: This proposal allows members of the Nixa Education Foundation to obtain special license plates bearing their organization's name and emblem.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Highway Fund	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections** state this proposal will have no fiscal impact on their agency.

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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.

Officials from the **Department of Revenue (DOR)** state the 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:

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 12.

ASSUMPTION (continued)

- The Application for Missouri Personalized and Specialty License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 12.
- The DOR web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 12.

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.

DOR is charged \$250 for the initial set-up of a new specialty plate for passenger, truck, and RV as well as an additional charge of \$90 each to include disabled and motorcycle plates, for a total of \$430 for the initial set-up. This is a one-time fee that will be charged upon passage of this bill in FY 12.

Currently, it costs DOR \$4.25 per plate, \$8.50 per set of plates, for manufacturing flat plates through Missouri Vocational Enterprises. The number of applicants who will wish to obtain this plate is unknown. DOR is assuming 200 applicants in FY 12 at a cost to DOR of \$1,700 in FY 12.

Total cost for plate set-up and manufacturing: FY 12 - \$1,847

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 Nixa Education Foundation specialty plate.

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

ASSUMPTION (continued)

REVENUE IMPACT

The number of applicants who will wish to obtain this plate is unknown. However, for each 100 Nixa Education Foundation specialty plate applications received, DOR assumes there will be an increase in revenue each year of \$1,500 that would be distributed 75% to Highway Fund, 15% to cities, and 10% to counties as a result of the \$15 specialty plate fee.

Oversight assumes that before this specialty plate is produced and DOR would incur the associated costs, there must be at least 200 applicants committed to purchase the plate. It is unknown if there will be the required number of applicants during the scope of this fiscal note. For fiscal note purposes only, **Oversight** will estimate revenue as: \$0 to Less than \$100,000. **Oversight** will also estimate cost to General Revenue as: \$0 to (Less than \$100,000).

Officials from the **Nixa Public School District** state the proposal would have a positive financial impact on the community's public school district.

Oversight assumes contributions received by the Nixa Education Foundation would in turn be used for Nixa Public School District purposes. **Oversight** assumes this would be an indirect result of this proposed legislation and will show no fiscal impact.

Oversight assumes that until at least 200 paid applicants have been received by DOR, that DOR will not incur any cost or recognize any revenue. Therefore, Oversight is reflecting no fiscal impact.

FISCAL DESCRIPTION

This act allows members of the Nixa Education Foundation to obtain special license plates bearing their organization's name and emblem. To obtain this plate, a person must submit an application to the Director of the Department of Revenue accompanied by an emblem-use authorization statement along with an additional \$15 fee. Any person who was previously issued a foundation plate and who does not provide an emblem-use authorization statement at a subsequent time of registration will be issued a new plate which does not bear the foundation's emblem.

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 Corrections
Office of Secretary of State
Nixa Public School District



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Director
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