

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1126-01
Bill No.: HB 394
Subject: Licenses - Motor Vehicle; Revenue Department
Type: Original
Date: February 28, 2011

Bill Summary: This proposal allows the owner of a property-carrying commercial motor vehicle to request and be issued two license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$28,947)	(\$35,605)	(\$36,495)
Total Estimated Net Effect on General Revenue Fund	(\$28,947)	(\$35,605)	(\$36,495)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Highway Fund	\$199,791	\$239,749	\$239,749
Total Estimated Net Effect on <u>Other</u> State Funds	\$199,791	\$239,749	\$239,749

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 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	\$66,597	\$79,916	\$79,916

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections - Missouri Vocational Enterprises** state this proposed legislation will have no fiscal impact on their agency.

Officials from the **Department of Transportation** state their agency will concur with the response from Department of Revenue.

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.

Officials from the **Department of Revenue (DOR)** assume 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. The DOR website 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. DOR estimated total cost for FTE in FY 12 to be \$1,023.

Oversight assumes DOR could absorb the minimal 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 assumes the second plate will be ordered at the time of application if requested by the customer. There are currently 213,108 registered commercial motor vehicles in excess of 12,000 pounds. DOR assumes that 10%, or 21,311, of these registrants will want the second plate. DOR's response to a proposal identical to this one in a previous session indicated that the cost to the Department for the second plate was \$1.43, however, Missouri Vocational Enterprises has advised DOR that as of July 1, 2011 the cost per plate would be \$1.63, resulting in an overall cost to General Revenue of \$28,947 in FY 12, \$35,605 in FY 13, and \$36,495 in FY 14.

ASSUMPTION (continued)

Information Technology - OA-ITSD (DOR)

OA-ITSD (DOR) would need to update the Title and Registration Intranet Processing System (TRIPS) to allow for the issuance of a second plate to commercial motor vehicles in excess of 12,000 pounds as well as charge the \$15 for that second plate. The IT portion of the fiscal impact is estimated with a level of effort valued at \$6,360, based on 240 FTE hours.

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.

By giving property-carrying commercial motor vehicle owners the ability to obtain two license plates instead of one and by charging \$15 for that plate there will be an increase in revenue to the Highway Fund.

- There are currently 213,108 registered commercial motor vehicle in excess of 12,000 lbs.
- DOR assumed that 10%, or 21,311, of these registrants will want the second plate issued in FY 12 resulting in an increase in revenue of \$266,388 in FY 12 (10 months), \$319,665 in FY 13, and \$319,665 in FY 14 that is constitutionally distributed as follows:

	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
75% Highway Fund	\$199,791	\$239,749	\$239,749
15% Cities	\$ 39,958	\$ 47,949	\$ 47,949
10% Counties	\$ 26,639	\$ 31,967	\$ 31,967

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Cost - Department of Revenue - Plate cost</u>	<u>(\$28,947)</u>	<u>(\$35,605)</u>	<u>(\$36,495)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$28,947)</u>	<u>(\$35,605)</u>	<u>(\$36,495)</u>
HIGHWAY FUND			
<u>Income - Increase in fees</u>	<u>\$199,791</u>	<u>\$239,749</u>	<u>\$239,749</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>\$199,791</u>	<u>\$239,749</u>	<u>\$239,749</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
LOCAL POLITICAL SUBDIVISIONS			
<u>Income - Cities - Increase in fees</u>	\$39,958	\$47,949	\$47,949
<u>Income - Counties - Increase in fees</u>	<u>\$26,639</u>	<u>\$31,967</u>	<u>\$31,967</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$66,597</u>	<u>\$79,916</u>	<u>\$79,916</u>

FISCAL IMPACT - Small Business

Small businesses with property-carrying vehicles would incur a cost if they elect to get the second license plate for their vehicles.

FISCAL DESCRIPTION

Currently, a property-carrying commercial motor vehicle is only issued one license plate. This proposal allows an owner of one of these vehicles to request and be issued two plates. The Director of the Department of Revenue may assess and collect an additional charge not to exceed the fee charged for personalized plates for the second plate.

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 Corrections
Missouri Vocational Enterprises
Office of Secretary of State
Administrative Rules Division
Joint Committee on Administrative Rules



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