

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2582-01
BILL NO.: HB 1147
SUBJECT: Various Specialty License Plates
TYPE: Original
DATE: January 11, 2000

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|--------------------|------------------|------------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| Highway Fund | (\$11,442) | \$33,255 | \$33,255 |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | (\$11,442)* | \$33,255* | \$33,255* |

* Does not include any additional unknown costs or income as a result of an anticipated increase in the number of applications for specialty license plates.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| None | \$0 | \$0 | \$0 |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------------|------------------|------------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| Local Government | \$10,768* | \$11,085* | \$11,085* |

* Does not include unknown additional revenue from fees of additional specialty license plates.

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

FISCAL ANALYSIS

ASSUMPTION

The **Department of Revenue (DOR)** assumes this proposal would create five new license plate types: Bronze Star/Valor Bronze Star, Combat Medic, Gulf War Veteran, Wilson Creek National Battlefield and Flying Cross. This proposal also allows additional sets to be issued with already existing specialty plates and creates new categories in already existing speciality plates by increasing the vehicle weight to 18,000 pounds.

The DOR Motor Vehicle Bureau (MVB) assumes they will require one (1) Clerk Typist II for 464 hours of overtime to process additional applications for the six new license plate types. Job responsibilities include, editing, correspondence, validation, key entry, telephone and customer walk-in assistance.

In addition, MVB will incur expenses in the amount of \$16,072 for policy and procedure changes, forms and postage, and \$15,746 for plates and tabs for FY01.

The DOR could not obtain meaningful statistics for the number of Combat Medics license plates that may be requested. Therefore, the increase in revenue is unknown.

Due to the projected minimal number of Wilson Creek Battlefield and Distinguished Flying Cross license plates that would be applied for, there will be no measurable revenue increase to the Highway Fund, Cities and County Aid Road Trust Fund (CART).

The DOR assumes this proposal requires a \$15 fee to be charged for the Desert Storm/Desert Shield license plate. It is assumed of the 28,800 veterans residing in the state of Missouri, 5% will apply for this specialty plate. Therefore, the annual revenue to the Highway Fund, Cities and County Aid Road Trust Fund would be \$21,600 annually (28,800 x 5% x \$15).

The DOR also assumes this proposal authorizes a specialized Bronze Star license plate. Each applicant must pay an additional \$15 fee for the plate. DOR assumes 2,000 individuals would apply for Bronze Star license plates, the same number as those who have received the Purple Heart Medal and applied for the Purple Heart License plates. The DOR assumes this would increase annual revenue to the Highway Fund, Cities and County Aid Road Trust Fund by \$30,000 annually (2,000 x \$15).

The provisions of this proposal will result in a \$15 fee for 118 sets of Prisoner of War license plates, and 362 Special Military license plates per year. This proposal also allows additional categories of motor vehicles to obtain special military plates. The MVB assumes the additional
ASSUMPTION (continued)

categories will have minimal impact on the Motor Vehicle Division. The increased fees for these types of plates will result in an annual increase in revenue of \$7,200 $((118 + 362) \times \$15)$ to be split between the Highway Fund, Cities, and the County Aid Road Trust Fund.

The DOR assumes this proposal also requires re-issuance of approximately 424 Combat Infantryman plates because the color red is deleted from the language and the re-issuance of 1,216 plates where "Amateur Radio" is to be shown on the plate in place of Show-Me State. The Bureau would have to reissue a total of 1,640 license plates, at a cost of \$3.30 per set, for a total cost of \$5,412 in FY01.

This proposal removes the \$15 additional fee for the "personalization" of military plates and retired military plates (stock & personalized). The MVB has issued 834 "personalized" military plates, 38 stock retired military, and 46 "personalized" retired military. The proposal also eliminates the additional \$15 fee for retired military speciality plates. The MVB has issued 46 retired military "speciality" plates. Eliminating the additional \$15 "personalization" fee and the fee on the retired military speciality plates will result in a loss of \$14,460 per year to be split between the Highway Fund, Cities and the County Aid Road Trust Fund.

The option for biennial motor vehicle registration begins July 1, 2000. Therefore, the projections offered by DOR are based on the estimated number of individuals that will choose biennial per year. The DOR anticipates that approximately 25% of the individuals offered biennial registration will choose it. (Even numbered vehicles will be offered in even numbered years and odd numbered vehicles in odd numbered years.)

Oversight assumes there would be unknown costs as a result of the increase in specialty license plates. Oversight also assumes there would likely be an increase in revenue since most specialty license plates usually require an additional fee. Oversight assumes the costs would be offset by the additional revenue. **Oversight** also assumes there would be increased income to the cities and counties as a result of the anticipated increase in the number of specialty license plates.

The Department of Public Safety - Missouri Highway Patrol responded they assumed there would be no direct fiscal impact to their agency as a result of this proposal.

The **Department of Transportation (DOT)** concurs with the Department of Revenue's response to this proposal.

| <u>FISCAL IMPACT - State Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
|---|--------------------------|------------------------|------------------------|
| HIGHWAY FUND | | | |
| <u>Income - DOR</u> | | | |
| Specialty License Plate fee | \$41,348 | \$44,100 | \$44,100 |
| Additional Specialty license plate fees | Unknown | Unknown | Unknown |
| <u>Cost - DOR</u> | | | |
| Overtime - Clerk Typist II | (6,515) | | |
| Forms and policies - printing and postage | (16,072) | \$0 | \$0 |
| Plates and tabs | (15,746) | \$0 | \$0 |
| Re-issuance of Combat Infantryman plates | (1,399) | \$0 | \$0 |
| Replace Amateur Radio license plates | (4,013) | \$0 | \$0 |
| | <u>(\$43,745)</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Loss - DOR</u> | | | |
| Elimination of "personalization" fee for military plates, etc. | (\$9,045) | (\$10,845) | (\$10,845) |
| Estimated Net Effect on HIGHWAY FUND* | <u>(\$11,442)</u> | <u>\$33,255</u> | <u>\$33,255</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
|---|---------------------|------------------|------------------|
| CITIES and COUNTIES | | | |
| <u>Income - Additional Fees</u> | | | |
| Cities | \$8,270 | \$8,820 | \$8,820 |
| County Aid Road Trust Fund | 5,513 | 5,880 | 5,880 |
| | <u>\$13,783</u> | <u>\$14,700</u> | <u>\$14,700</u> |
| <u>Loss - Reduction in Fees</u> | | | |
| Cities | (\$1,809) | (\$2,169) | (\$2,169) |
| County Aid Road Trust Fund | (1,206) | (1,446) | (1,446) |
| | <u>(\$3,015)</u> | <u>(\$3,615)</u> | <u>(\$3,615)</u> |
| Estimated Net Effect on CITIES and COUNTIES* | \$10,768 | \$11,085 | \$11,085 |

* Does not include additional revenue to the Cities and the County Air Road Trust Fund due to any fees from additional specialty license plates.

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal allows all military and certain specialty plates to be obtained for commercial motor vehicles other than apportioned motor vehicles licensed for a gross weight not in excess of 18,000 pounds (certain pickup trucks) as well as noncommercial vehicles. Military plates will not be subject to the fee charged for personalized plates. All military plates, except the Congressional Medal of Honor, Retired Military, and the Prisoner of War plates, will cost \$15 in addition to the regular registration fee. There will no longer be a limit on the number of military plates a person may obtain as long as each set is issued for vehicles owned solely or jointly by the person.

Individuals may get a special license plate to help the Wilson's Creek National Battlefield Foundation. A \$25 emblem use contribution will be made annually to the foundation by any individual wanting the special plates. All other normal fees will apply, including the fee for personalized plates.

The following new plates are allowed to be made available: "Bronze Star," "Combat Medic," "Gulf War Veteran," "Distinguished Flying Cross," and "Wilson's Creek National Battlefield."

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 Highway Patrol
Missouri House of Representatives



Jeanne Jarrett, CPA
Director
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