

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 113-01
Bill No.: SB 0096
Subject: Licenses-Motor Vehicles, Motor Vehicles, Veterans, Military Affairs
Type: Original
Date: 12/29/00

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Highway Funds	(\$49,465)	(\$40,941)	(\$40,941)
RR Grade Crossing Fund	(\$679)	(\$543)	(\$543)
Total Estimated Net Effect on <u>All</u> State Funds	(\$50,144)	(\$41,484)	(\$41,484)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Cities	(\$9,893)	(\$8,188)	(\$8,188)
Counties	(\$6,595)	(\$5,459)	(\$5,459)
Local Government	(\$16,488)	(\$13,647)	(\$13,647)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

The **Department of Revenue (DOR)** stated the Motor Vehicle Bureau (MVB) issued 1,834 Purple Heart license plates in FY 00. The average registration fee was \$27, however recipients of purple heart plates are only required to pay the \$15 special plate fee at the initial time of application and not at renewal. This excludes the \$.25 Railroad Grade Crossing fee. In FY00, 337 owners applied for new purple heart plates.

The Motor Vehicle Bureau will insert a flyer with each special/personalized plate renewal notice informing the applicant that these fees are being eliminated. Thus the MVB will incur expenses in amount of \$969 for FY02 for policy revisions, envelopes, flyers and postage. For FY03 & FY04 the expenses will be \$473. **Oversight** assumes DOR could absorb the cost of forms and postage to inform their field offices of the new procedure and has excluded such costs from the fiscal impact.

REVENUE IMPACT

Because these are “free” registrations, and approximately 84% of individuals choose biennial registration, the MVB assumes that these individuals will take advantage of the biennial option the first year. Accordingly, 90% of the applicants will get a biennial registration in FY02 and 90% in FY03. The calculated loss in registration fees is as follows:

FY 01

Highway Fund	(\$49,465)
Cities	(\$9,893)
Counties	(\$6,595)
RR Grade Crossing	(\$679)

FY 02 & 03

Highway Fund	(\$40,941)
Cities	(\$8,188)
Counties	(\$5,459)
RR Grade Crossing	(\$543)

Officials from the **Department of Transportation** concur with the Department of Revenue’s response to this proposal.

Officials from the **Department of Public Safety, Missouri Veteran’s Commission** assume this proposal would not fiscally or administratively impact their agency.

Officials from the **Department of Public Safety, Missouri Highway Patrol** assume this proposal would not fiscally or administratively impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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HIGHWAY FUND

<u>Loss - Department of Revenue</u> Registration fees	(\$49,465)	(\$40,941)	(\$40,941)
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ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$49,465)</u>	<u>(\$40,941)</u>	<u>(\$40,941)</u>
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**RAILROAD GRADE CROSSING
FUND**

<u>Loss - Department of Revenue</u> Registration fees	(\$679)	(\$543)	(\$543)
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ESTIMATED NET EFFECT ON RAILROAD GRADE CROSSING FUND	<u>(\$679)</u>	<u>(\$543)</u>	<u>(\$543)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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<u>Loss - Cities</u> Registration fees	(\$9,893)	(\$8,188)	(\$8,188)
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<u>Loss - counties</u> Registration fees	(\$6,595)	(\$5,459)	(\$5,459)
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>(\$16,488)</u>	<u>\$13,647</u>	<u>\$13,647</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal allows a Purple Heart recipient to receive free registration and Purple Heart License plates for two motor vehicles.

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 Transportation
Department of Public Safety, Missouri Highway Patrol
Department of Public Safety, Missouri Veteran's Commission
Department of Revenue



Jeanne Jarrett, CPA
Director
January 3, 2001