

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4604-01  
Bill No.: HB 1069  
Subject: Motor Vehicle; Motor Vehicles; Department of Revenue  
Type: Original  
Date: February 7, 2014

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Bill Summary: This proposal allows camping trailers over twenty-five years old to be permanently registered and be issued historic trailer license plates.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Highway Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Less than \$100,000</b>	<b>Less than \$100,000</b>	<b>Less than \$100,000</b>

\*Net decreases in revenue would not occur until FY '18

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Transportation** concur with the Department of Revenue regarding any fiscal impact to their organization.

Officials from the **Department of Revenue (DOR)** assume this legislation provides that any camping or fifth-wheel trailer, as defined by section 407.1320, that is over twenty-five years old may be permanently registered upon payment of a registration fee of twenty-five dollars.

#### **Administrative Cost:**

The following procedures will need to be implemented for the changes in this proposal:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$840 in FY '15.
- The Application for Historic License Plates (DOR-570) will need to be revised to include a "Year of Manufacture" trailer registration option. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$840 in FY '15.
- The Department's web site will need to be updated to include the new plate type. This will require 10 hours for an Administrative Analyst III, at a cost of \$230 in FY '15.
- The Department would incur 20 overtime hours for a Revenue Processing Tech II to set up the new plate within MVB systems and testing at a cost of \$450 in FY '15.
- The Title and Registration Internet Processing System and the General Registration System will require programming to support the new plate types. This will require 136 hours at a cost of \$3,713 in FY '15.

In summary, DOR assumes a cost of \$6,073 ( $\$840 + \$840 + \$230 + \$450 + \$3,713$ ) in FY 2015 to provide for the implementation of the changes in this proposal.

ASSUMPTION (continued)

Postage and Mailing Cost:

The Department would incur an additional postage cost for mailing "year of manufacture" trailer registrations to applicants.

It is unclear as to how many qualified applicants would specifically apply for "year of manufacture" trailer license plates. DOR has made the assumption that there could be 10% of trailer owners that fit the appropriate category registering as "year of manufacture". This would total a cost of \$80 per fiscal year for envelopes, letters and postage.

In summary, DOR assumes a cost of \$6,153 (\$6,073 + \$80) in FY '15, \$80 in FY '16 and \$80 in FY '17 to provide for personnel changes and mailing cost.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the 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.

Revenue Impact

The revenue impact is dependent on the amount of individuals that choose the permanent registration. Currently, individuals can apply for a one year registration at a cost of \$7.50 or a three year registration at a cost of \$22.50.

There are 1,017 registered camping trailers over twenty-five years old. The fiscal impact could range from \$0 to \$25,420 in FY '15. This range is based on none of the eligible individuals registering with the permanent plate (\$0) to all eligible individuals registering with the permanent plate (\$25,420).

Each fiscal years impact is dependent on the previous fiscal year. If the majority of those eligible to register permanently registered in the first year, the following years will see a decrease in registration fees. Therefore, this fiscal note will indicate a slight increase in revenue for the first several fiscal years.

The fiscal years outside the scope of this fiscal note will have a larger potential and probable decrease in revenue. This is due to the fact that those who register permanently will no longer need to pay a registration fee every year or every three years.

ASSUMPTION (continued)

Since it is unknown how many applications will be received for this plate, **Oversight** will estimate an increase in revenue to the Highway Fund of “Less than \$100,000”. Oversight assumes there will be a loss to the Highway Fund due to the permanent registration verses a one or three year registration; however, Oversight also assumes the revenue into the Highway Fund will at least cover the estimated loss from the proposal in FY `15, `16 and `17, resulting in a positive “Less than \$100,000” estimated net effect to the Highway Fund.

Oversight assumes the majority of the decrease in revenue will not occur until FY `18 but will not reflect this loss because it is outside of the scope of the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>HIGHWAY FUND</b>			
<u>Revenue - DOR</u>	Less than	Less than	Less than
\$25 permanent registration fee	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
<b>ESTIMATED NET EFFECT TO THE HIGHWAY FUND</b>	<b>Less than <u>\$100,000</u></b>	<b>Less than <u>\$100,000</u></b>	<b>Less than <u>\$100,000</u></b>

\*Net decreases in revenue would not occur until FY `18

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

License Offices could have a potential negative fiscal impact as a result of this proposal.

FISCAL DESCRIPTION

This proposal allows a camping or fifth-wheel trailer more than 25 years old to be permanently registered upon payment of a \$25 fee. Any person possessing a license plate more than 25 years old in which the year of issuance of the plate matches the year the trailer was manufactured may register and use the plate as a historic trailer plate if the configuration of letters and numbers have not been issued to someone else.

KC:LR:OD

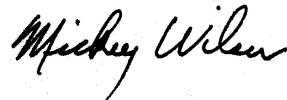
FISCAL DESCRIPTION (continued)

The owner of the historic trailer must keep the certificate of registration in the trailer at all times. Upon the transfer of title, the plate must be returned to the Director of the Department of Revenue.

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



Mickey Wilson, CPA  
Director  
February 7, 2014

Ross Strobe  
Assistant Director  
February 7, 2014