

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2541-02
Bill No.: HB 836
Subject: Licenses - Motor Vehicle; Motor Vehicles; Revenue Dept.
Type: Original
Date: January 20, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Highway Fund	(\$698,739)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$698,739)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume no fiscal impact to their agency.

Officials from the **Department of Transportation (MoDOT)** assume this proposal would require two license plates to be issued to commercial motor vehicles registered at a gross weight in excess of twelve thousand pounds and all passenger-carrying commercial motor vehicles. If this proposal is implemented, MoDOT will incur costs for additional postage and mailing supplies. In addition this bill would place a burden on the MoDOT licensing program for monitoring the replacement of lost or stolen plates, making refunds for returned plates for two plates instead of one and monitoring compliance of the two plate requirement. Additional rules and regulations would be required for how the two plate process would be implemented.

FY05

Postage costs (35,048 @ \$3.39)	\$118,813
Envelope Costs (35,048 @ \$0.08)	<u>\$ 2,804</u>
Total	\$121,617

ASSUMPTION (continued)

Officials from the **Department of Revenue - Division of Motor Vehicle and Driver Licensing - Driver and Vehicle Services Bureau (DVSB)** assume this proposal requires all property carrying commercial motor vehicles registered in excess of 12,000 pounds gross weight and all passenger carrying commercial motor vehicles to be issued two plates. DVSB will have to stock all offices with two (2) sets of plates for these types of vehicles versus what is currently in stock in the offices today. Today the offices only stock one plate for this type of vehicle. To implement this proposal DVSB assumes that upon renewal these applicants will be given a new set (2) of plates. This will require a supply of sets (2) of plates to be purchased, distributed and inventoried to 182 field offices.

DVSB will order, receive, sort and distribute new sets of plates to 182 field offices. DVSB requires approximately 200 hours of overtime for one (1) Revenue Licensing Technician II.

Currently there are approximately 192,193 vehicles that will now require a set (2) plates vs. one plate. One plate is currently in DVSB core budget; therefore, the following costs will be required for the additional plate and tabs. $192,193 \times \$1.325$ (\$1.26 for the plate and \$0.165 for tabs) = \$273,875 for FY05 83,447 vehicles will also require two sets of plates; however it will not require tabs. $83,447 \times \$1.26 = \$105,143$ for FY05.

In addition, approximately 40% of the 192,193 (76,877) applications will be processed through the Central Office (mail-ins). Today when these types of vehicles are being renewed, the Revenue Licensing Technician II only has to attach tabs to the application to complete a person's renewal. For FY05, DVSB will require approximately 1,025 hours of overtime for a Revenue Licensing Technician II because once the application is processed it will have to be sent to the plate storage room to have a set of plates mailed to the individual.

This will also require plate envelopes and postage for each application. Plate envelop = \$0.13 + Plate postage = \$2.44 = Total \$2.57 per application $76,877 \times \$2.57 = \$197,574$ for FY05.

DVSB will also require \$379 for procedure revision and envelopes and \$15 for postage for mailing new procedures to 182 field offices.

To implement this legislation, DOR could require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

ASSUMPTION (continued)

This limitation is found in Section 226.200.3, RSMo. It places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including DOR) cannot exceed the total amount of their fiscal year 2001 highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
 HIGHWAY FUND			
 <u>Cost - Department of Revenue</u>			
Equipment and Expense	(\$577,122)	\$0	\$0
 <u>Cost - Department of Transportation</u>			
Equipment and Expense	(\$121,617)	<u>\$0</u>	<u>\$0</u>
 ESTIMATED NET EFFECT ON HIGHWAY FUND	 <u>(\$698,739)</u>	 <u>\$0</u>	 <u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

FISCAL IMPACT - Small Business

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

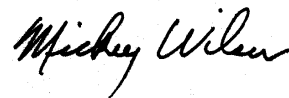
DESCRIPTION

This bill requires that passenger-carrying commercial motor vehicles and property-carrying commercial motor vehicles registered at a gross weight in excess of 12,000 pounds be issued two license plates. Local transit buses, school buses, trailers, semitrailers, motorcycles, motortricycles, motorscooters, and driveaway vehicles will be issued only one license 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 Transportation
Department of Revenue
Department of Public Safety
Missouri Highway Patrol



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Director
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