

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4320-01
Bill No.: HB 1585
Subject: Entertainment, Sports and Amusements; Licenses - Motor Vehicle; Revenue Department
Type: Original
Date: February 15, 2010

Bill Summary: This proposal allows for a special license plate for members of the National Wild Turkey Federation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Highway Fund	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

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

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.

The **Department of Revenue (DOR)** response to proposals similar to, or identical to, this one in previous sessions indicated DOR planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff, and the limitations within the DOR motor vehicle legacy systems, changes cannot be made without significant impact to DOR resources and budget. Therefore, the fiscal impact of this proposal is estimated as follows:

ADMINISTRATIVE IMPACT

Motor Vehicle Bureau:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- The Application for Missouri Personalized and Specialty License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 11.
- The DOR web site 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 11.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity

ASSUMPTION (continued)

each year. **Oversight** assumes DOR could absorb the personal service 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.

Set-up cost:

DOR is charged \$279 for the initial set-up of a new specialty plate for passenger, truck, and RV as well as an additional charge of \$92 each to include disabled and motorcycle plates, for a total of \$463 for the initial set-up. This is a one-time fee that will be charged upon passage of this proposed legislation in FY 11.

Plate manufacturing cost:

According to the National Wild Turkey Federation, there are approximately 12,000 adult members in Missouri that would be eligible for this plate.

- Currently, it costs DOR \$4.75 per plate, \$9.50 per set of plates, for manufacturing flat plates through Missouri Vocational Enterprises.
- DOR assumes that of the 12,000 eligible applicants, 3% (360) will wish to obtain the plate in FY 11 at a cost to DOR of \$3,420 in FY 11.
- As knowledge and public awareness of the availability of this plate increases it is assumed that 5% (582) of the remaining 11,640 eligible applicants will apply for these plates in FY 12 at a cost of \$5,529.
- If 7% (774) of the remaining 11,058 members apply for these plates in FY 13 it will result in a cost to DOR of \$7,353 in FY 13.

Total cost for plate set-up and manufacturing:

FY 11	FY 12	FY 13
\$3,883	\$5,529	\$7,353

Information Technology - OA-ITSD (DOR):

System Modifications: The Title and Registration Intranet Processing System (TRIPS) plate table would need to be updated to reflect the National Wild Turkey Federation specialty plate.

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ASSUMPTION (continued)

This modification to the systems requires minimal programming and will be absorbed by existing staff.

REVENUE IMPACT

DOR provided the following assumptions regarding anticipated revenue attributed to this specialty plate:

- If 3% (360) of those eligible applicants wish to obtain this plate in FY 11 there will be an increase in revenue of \$4,500 (figured for 10 months) from the \$15 specialty plate fee.
- As knowledge and public awareness of the availability of this plate increases DOR assumes that 5% (582) of the remaining 11,640 eligible applicants will apply for these plates in FY 12 resulting in an increase in revenue of \$8,730.
- If 7% (774) of the remaining 11,058 members apply in FY 13 there will be an increase of \$11,610 in FY 13 from the \$15 specialty plate fee.
- This increase will be distributed as follows:

	FY 11	FY 12	FY 13
75% Highway Fund	\$3,375	\$6,547	\$8,708
15% Cities	\$ 675	\$1,310	\$1,741
10% Counties	\$ 450	\$ 873	\$1,161

Oversight assumes that before this specialty plate is produced and DOR would incur the associated costs, there must be at least 200 applicants committed to purchase the plate. It is unknown if there will be the required number of applicants during the scope of this fiscal note. For fiscal note purposes only, **Oversight** will estimate revenue as: \$0 or Less than \$100,000. **Oversight** will also estimate cost to General Revenue as: \$0 or (Less than \$100,000).

Oversight notes that a similar type of organization with nearly twice as many members eligible for a specialty plate has less than 200 plates ten years after the authorizing statute was passed.

FISCAL DESCRIPTION

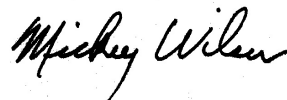
This proposed legislation allows for a special license plate for members of the Wild Turkey Federation.

To obtain this plate, a person must submit an application to the Director of the Department of Revenue accompanied by an emblem-use authorization statement along with an additional \$15 fee. Before these specialty plates may be issued, the director must be in receipt of a list of at least 200 potential applicants who plan to purchase the plate and an application fee to defray the cost for developing the specialty 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 Corrections
 Missouri Vocational Enterprises
Office of Secretary of State
 Administrative Rules Division



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Director
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