

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0649-01
Bill No.: Perfected HB 401
Subject: Licenses - Motor Vehicle
Type: Original
Date: March 6, 2017

Bill Summary: This proposal allows for a special license plate for members of the International Conference of Police Chaplains who have completed the basic certification requirements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	Minimal	Minimal	Minimal
Total Estimated Net Effect on General Revenue	Minimal	Minimal	Minimal

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Highway Fund	(Minimal)	(Minimal)	(Minimal)
Total Estimated Net Effect on <u>Other</u> State Funds	(Minimal)	(Minimal)	(Minimal)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

According to a report provided by the Department of Revenue, **Oversight** notes there are currently 203 different types of specialty license plate designs available in Missouri. From these 203 specialty license plates, there were 54,464 registrations as of September 1, 2016:

0 Registrations	Less than 100 Registrations	Less than 1,000 Registrations	More than 1,000 Registrations
51	88	49	15

For most designs, there is a \$15 initial fee to apply for each specialty license plate and a \$15 annual renewal fee. However, the following designs do not have the \$15 fee; Congressional Medal of Honor (RSMo 301.145), Disabled Veteran (RSMo 301.071), Former Prisoner of War (RSMo 301.443), Purple Heart (RSMo 301.451), Retired Military Air Force (RSMo 301.441), Retired Military Army (RSMo 301.441), Retired Military Coast Guard (RSMo 301.441), Retired Military Marine (RSMo 301.441), Retired Military Marine Corps League (RSMo 301.441), Retired Military Merchant Marine (RSMo 301.441), Retired Military National Guard (RSMo 301.441), Retired Military Navy (RSMo 301.441), and We Shall Not Forget (RSMo 301.3142).

Officials from the **Department of Revenue (DOR)** state the following regarding this proposal:

§301.3175

Allows any member of the International Conference of Police Chaplains, who has completed the International Conference of Police Chaplains requirements for basic certification as a police chaplain, to apply for special personalized license plates for any vehicle the person owns after an annual payment of a \$25 emblem-use fee to the International Conference of Police Chaplains and a \$15 specialty plate fee to the Department.

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 \$890 in FY 2018.

ASSUMPTION (continued)

Administrative Impact (continued)

- The Application for Personalized and Special License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours for a Management Analyst Specialist I, at a cost of \$890 in FY 2018.
- The Department's website 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 \$240 in FY 2018.
- The Department will need to add and do testing on the new specialty plate when it gets added into MVB systems, which will take 20 hours for a Revenue Processing Tech II at a cost of \$467 in FY 2018.

Set-up cost

The Department is charged \$215 for the initial set-up of a new specialty plate for passenger, truck, RV, disabled and motorcycle plates. This is a one-time fee that will be charged upon passage of this bill in FY 2018.

Plate manufacturing cost

The Department pays \$3.50 per plate for manufacturing flat plates through Missouri Vocational Enterprises.

It is unknown how many applicants would apply for these license plates. The Department is assuming 200 applications per year at cost to the Department of \$583 (10 Months) in FY 2018, \$718 in FY 2019, and \$735 in FY 2020.

Mailings

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE.

- The mailing costs will be \$93 in FY 2018, \$114 in FY 2019, and \$117 in FY 2020.

Note: \$5.55 is an average cost, as the cost may decrease or increase based on the weight of the package, the area to which it is being sent, and how many boxes are being sent at one time.

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them their plates are ready for pickup at the respective license office.

ASSUMPTION (continued)

Administrative Impact (continued)

- Assuming 200 applications per year at a cost of \$93 in FY 2018 (10 Months), \$114 in FY 2019, and \$117 in FY 2020 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49).

OA-ITSD services will be required at a cost of \$2,268 (30.24 hours x \$75 per hour) in FY 2018.

In summary DOR assumes a cost of **\$5,739** (\$890 + \$890 + \$240 + \$467 + \$215 + \$583 + \$93 + \$93 + \$2,268) in FY 2018, **\$946** (\$718 + \$114 + \$114) in FY 2019 and **\$969** (\$735 + \$117 + \$117) in FY 2020.

Revenue Impact

Assuming 200 applicants per year would result in an increase in revenue from the \$15 specialty plate fee of \$2,500 in FY 2018 (10 Months), \$3,000 in FY 2019, and \$3,000 FY 2020 to General Revenue.

Officials from the **Joint Committee on Administrative Rules** state this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight will estimate a minimal increase in revenue to the General Revenue Fund generated from the \$15 specialty plate fee. Oversight will also estimate a minimal cost for the set-up and processing of specialty license plates to the General Revenue Fund and to the Highway Fund. Oversight assumes the revenue into the General Revenue Fund will at least cover the estimated costs from the proposal, resulting in a positive "Minimal" estimated net effect to the General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Revenue</u> - DOR	Minimal	Minimal	Minimal
Specialty plate fees (\$15 per applicant)			
<u>Cost</u> - DOR	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>
Processing costs for specialty plates			
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>Minimal</u>	<u>Minimal</u>	<u>Minimal</u>
HIGHWAY FUND			
<u>Cost</u> - DOR	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>
Manufacturing Cost (\$3.50 per plate)			
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(Minimal)</u>	<u>(Minimal)</u>	<u>(Minimal)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2018 (10 Mo.)	 FY 2019	 FY 2020
	<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.

FISCAL DESCRIPTION

This proposal allows a police chaplain who completes the certification requirements and is a member of the International Conference of Police Chaplains (ICPC) to claim a specialty license plate.

The proposal requires the ICPC to issue an emblem-use authorization statement to the vehicle owner upon annual application and payment of a \$25 emblem-use contribution.

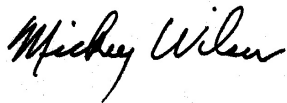
FISCAL DESCRIPTION (continued)

The authorization statement must be presented to the Department of Revenue and all other license plate and specialty plate fees are required. This proposal specifies the requirements that must be met prior to authorizing the production of the 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 Revenue
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
March 6, 2017

Ross Strobe
Assistant Director
March 6, 2017