

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0666-01  
Bill No.: HB 225  
Subject: Motor Vehicles; Licenses - Motor Vehicles  
Type: Original  
Date: January 9, 2017

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Bill Summary: This proposal allows camping trailers more than 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 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Highway Fund	(Less than \$50,000)	(Less than \$50,000)	(Less than \$50,000)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Less than \$50,000)</b>	<b>(Less than \$50,000)</b>	<b>(Less than \$50,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>(Minimal)</b>	<b>(Minimal)</b>	<b>(Minimal)</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

#### §301.136

Provides that any camping or fifth-wheel trailer, as defined in §407.1320 that is over twenty-five years old may be permanently registered upon payment of a registration fee of \$25 dollars.

- §407.1320, RSMo, defines fifth-wheel trailer as a "vehicle, mounted on wheels, designed to provide temporary living quarters for recreational, camping or travel use, of such size or weight as to not require a special highway movement permit, of gross trailer area not to exceed four hundred square feet (37.2m<sup>2</sup>) in the set-up mode, and designed to be towed by a motorized vehicle that contains a towing mechanism that is mounted above or forward of the tow vehicle's rear axle."
- Upon the transfer of the title to any such trailer, the registration shall be cancelled and the license plates issued shall be returned to the director.
- The owner of such trailer shall file an application in a form prescribed by the director and a certificate of registration shall be issued.
- Provides that any person possessing license plates issued by the state of Missouri that are over twenty-five years old, in which the year of issuance of such plates is consistent with the year of the manufacture of the camping or fifth-wheel trailer, may register such plates as historic trailer plates as set forth in this section, provided that the configuration of letters, numbers, or combination of letters and numbers of such plates are not identical to the configuration of letters, numbers, or combination of letters and numbers of any plates already issued to an owner by the director.
- The license plates shall not be required to possess the characteristic features of reflective material and common color scheme and design as prescribed by §301.130.
- The owner of the historic trailer registered under this section shall keep the certificate of registration in the trailer at all times.
- The certificate of registration shall be prima facie evidence that the trailer has been properly registered with the director and that all fees have been paid.

ASSUMPTION (continued)

Administrative Impact

Motor Vehicle Bureau (MVB)

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of \$890 in FY 2018.
- The Application for Historic License Plates (DOR-570) will need to be revised to include trailers and a "Year of Manufacture" trailer registration option. 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 for an Administrative Analyst III, at a cost of \$240 in FY 2018.
- The Department would incur 20 hours for a Revenue Processing Tech II to set up the new plate within MVB systems and testing at a cost of \$467 in FY 2018.
- MVB testing for identified system modifications. 80 hours for each system modification for a total of 240 hours by a Management Analyst Specialist I at a cost of \$5,340 in FY 2018.

This proposal allows for permanent non-expiring trailer license plates and "year of manufacture" trailer license plates to be registered to camper trailers and fifth wheel camper trailers that are over 25 years old. The Department assumes "over 25 years old" is to mean 25 years old or older, as it is interpreted in section §301.131 for historic and year of manufacture motor vehicle registrations.

- The Department currently issues historic registrations under §301.131. It is assumed the same historic plates currently in use will be issued to those camper trailers and fifth wheel camper trailers that are over 25 years of age under this proposal. Therefore, no costs for the creation of a new plate are being shown.
- The applicant must list on the application the year of the camper trailer and the body style as a camper.
- The "year of manufacture" trailer plates will be applied for, processed, and registrations issued through the central office only, similar to year of manufacture motor vehicle plates under §301.131.

ASSUMPTION (continued)

Administrative Impact (continued)

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

- It is unknown how many applicants would specifically apply for "year of manufacture" trailer license plates. The following range is based on 10% of trailer owners that fit the appropriate category registering as "year of manufacture". The mailing costs could range from \$0.00 to \$139 in FY 2018 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.49). For purposes of this fiscal note, the range will be applied through the three applicable fiscal years coming out to about \$70 per fiscal year.

OA-ITSD services will be required at a cost of \$17,921.25 (238.95 hours x \$75 per hour) in FY 2018.

In summary, DOR assumes a cost of **\$25,748.25** (\$890 + \$890 + \$240 + \$467 + \$5,340 + \$17,921.25) in FY 2018.

**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

HB 2380 (2016) opened permanent registrations to all trailers, regardless of size, type, or usage, at a fee of \$52.50. This proposal allows for camping and fifth wheel camping trailers to obtain permanent "historic" registrations at a fee of \$25. It is assumed that 90% of those applicants whose camping trailer is 25 years of age or over, that would otherwise pay \$52.50, will obtain a "historic" registration at \$25 and save \$27.50.

There are currently 5,586 registered camping trailers that are 25 years of age or over.

- 555 of those are already permanently registered and are not factored in to this response.
- 2,521 of those currently expire in FY 2017.
- 2,271 of those currently expire in FY 2018.
- 239 of those currently expire in FY 2019.

ASSUMPTION (continued)

Revenue Impact (continued)

Due to HB 2380 the majority of trailer applicants are obtaining regular permanent trailer registrations at renewal of their current 1 or 3 year registrations. If 90% of eligible applicants opt for a "historic" trailer registration in lieu of a regular permanent trailer registration there could potentially be a loss to the Highway fund, cities, and counties as follows:

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Renewals	2,521	2,271	239
	90%	90%	90%
	<hr/> 2,269	<hr/> 2,044	<hr/> 215
Permanent fee	<hr/> \$52.50	<hr/> \$52.50	<hr/> \$52.50
	<hr/> \$119,117	<hr/> \$107,305	<hr/> \$11,293
	2,269	2,044	215
Historic Permanent fee	<hr/> \$25	<hr/> \$25	<hr/> \$25
	<hr/> \$56,723	<hr/> \$51,098	<hr/> \$5,378
Difference and loss	\$62,395	\$56,207	\$5,915
Highway Fund (75%)	\$46,796	\$42,155	\$4,436
Cities (15%)	\$9,359	\$8,431	\$887
Counties (10%)	\$6,239	\$5,621	\$592

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

Officials from the **Department of Corrections** assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

Since it is unknown how many applications will be received for this plate, **Oversight** will estimate a decrease in revenue to the Highway Fund of “Less than \$50,000” and a “Minimal” decrease in revenue to Cities and Counties. Oversight assumes there will be a continual loss to the Highway Fund due to the permanent registration versus historic registration.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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**HIGHWAY FUND**

<u>Loss - DOR - historic registration fee of \$25.00 vs. \$52.50 permanent registration fee</u>	(Less than <u>\$50,000</u> )	(Less than <u>\$50,000</u> )	(Less than <u>\$50,000</u> )
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<b>ESTIMATED NET EFFECT TO THE HIGHWAY FUND</b>	<b>(Less than <u>\$50,000</u>)</b>	<b>(Less than <u>\$50,000</u>)</b>	<b>(Less than <u>\$50,000</u>)</b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Loss - Cities (15%) - decreased fees</u>	(Minimal)	(Minimal)	(Minimal)
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<u>Loss - Counties (10%) - decreased fees</u>	(Minimal)	(Minimal)	(Minimal)
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<b>ESTIMATED NET EFFECT TO THE LOCAL POLITICAL SUBDIVISIONS</b>	<b>(Minimal)</b>	<b>(Minimal)</b>	<b>(Minimal)</b>
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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. Upon the transfer of title, the plate must be returned to the Director of the Department of Revenue.

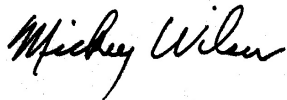
FISCAL DESCRIPTION (continued)

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. The owner of the historic trailer must keep the certificate of registration in the trailer at all times.

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  
Department of Corrections



Mickey Wilson, CPA  
Director  
January 9, 2017

Ross Strobe  
Assistant Director  
January 9, 2017