

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0866-11
Bill No.: SCS for SB 343, 89, 134, 171, 240, 261, 331, 368, 369, 419, 484 & 581
Subject: Revenue Dept.; Licenses-Motor Vehicle; Disabilities; Motor Vehicles
Type: Original
Date: April 7, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Highway Fund	(\$207,414)	(\$87,931)	(\$209,717)
Organ Donor Fund	\$2,000	\$2,500	\$2,500
Antiterrorism Fund	\$2,000	\$2,500	\$2,500
Children's Trust	(\$102,050)	\$124,240	\$124,240
Total Estimated Net Effect on Other State Funds	(\$305,464)	\$41,309	(\$80,477)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 13 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Various	\$0	(\$19,800,000)	(\$19,800,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	(\$19,800,000)	(\$19,800,000)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	(\$48,228)	(\$24,991)	(\$103,557)

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Transportation, Department of Public Safety and Office of State Courts Administrator** assume this proposal would have no fiscal impact on their agencies.

41.033 Antiterrorism Fund

Officials with the **Department of Health and Senior Services (DHSS)** assume this section could require their agency to transfer approximately \$29,800,000 dollars in FY 04 from two Federal grants they currently receive. The CDC grant, "Public Health Preparedness and Response for Bioterrorism", is a \$17,400,000 grant and the HRSA grant, "Hospital Bioterrorism Preparedness", will be approximately a \$2,400,000 grant. DHSS further assumes there would be a savings from the transfer of duties for the Center for Emergency Response and Terrorism-CERT.

With information from DHSS, **Oversight** assumes the monies awarded from federal grants for FY 04 would be allocated to the Anti Terrorism Fund and then used by Homeland Security to administer the current CERT program. Oversight further assumes that the Federal monies would not be available in FY 05 and FY 06 due to the guidelines for the fund applications.

ASSUMPTION (continued)

Oversight notes that **Homeland Security** could see additional funding from this source.

Officials with the **State Treasurer's Office (STO)** assume they could require 1 FTE at the accounting analyst 1 level with the corresponding expense and equipment to monitor the disbursement activity of the fund to ensure they are in accordance with section 41.033.2 RSMo. Oversight assumes STO could monitor the activity of the fund with current personnel.

FY 04 - Income and Cost

Federal funds transferred for use by Homeland Security	\$29,363,866
Federal funds removed from DHSS budget	(\$29,363,866)
Savings to the DHSS budget for CERT	\$29,363,866
Cost of CERT program to Homeland Security	(\$29,363,866)

FY 05 and 06 -Income and Cost

Loss of Federal funds from grants intended for DHSS purposes	(\$19,800,000)
Savings to Homeland Security for cost of CERT program	\$29,363,866

301.141, 301.142 304.601 Handicap Placards and Biennial Registration

Officials with the **Department of Revenue (DOR)** assume this section could impact the following:

Any physician or health care practitioner who gives a statement to a person who does not meet one of the statutory conditions, if no condition is given or who signs for a condition that is outside the scope of their license is guilty of a class A misdemeanor.

Fraudulent procurement or use of disabled person plate or placard is a class A misdemeanor.

Any physician or other health care practitioner who issues a certificate to enable someone to receive a disabled plate or placard outside the scope of such health care provider's license is guilty of a class A misdemeanor.

Creates a definition of "Other authorized health care practitioner", includes only chiropractors licensed pursuant to chapter 331, RSMo, podiatrists licensed pursuant to chapter 330, RSMo, and optometrists licensed pursuant to chapter 336, RSMo;

Certificate of disability must be signed by physician or other authorized health care practitioner.

ASSUMPTION (continued)

A physician or other health care practitioner who issues a certificate to enable someone to receive a disabled plate or placard must maintain documentation of issuing certificate.

Allows the Department of Revenue to issue not more than two disabled placards, for good cause shown, as set by rule.

Indicates that placards are to be used in vehicles that do not bear the handicap symbol on the license plate. Placard must not be hung from the mirror during operation.

Disabled placards will be issued for a two-year period of time. Allows the director to stagger the expiration dates of disabled placards.

Requires the placard to only be renewable by the person or entity to which the placard was originally issued and it is not transferable.

Requires the director to issue a registration certificate.

Requires the director to provide information explaining disabled plates/placards and the penalties for mis-use.

Beginning July 1, 2004, requires a current physician's statement issued within ninety (90) days to issue or renew disabled plates or placards. Thereafter every new applicant is required to present a new physician's statement.

Requires the director to retain all physicians' statements and all other documents received in connection with a person's application for disabled license plates and disabled windshield placards.

Requires the director to cancel disabled plates and placards if an applicant fails to furnish the new physician's statement.

Makes the failure to return disabled plates or placards upon death of the person who has disabled plates or placards by the decedent's representative or other person who may come into or otherwise take possession of the plates a class A misdemeanor.

DOR assumes this could have a cost for microfilming physician statements and procedure changes, envelopes and postage to ensure the field is adequately notified. This agency further assumes that 50% of the disabled placards owners would be processed as biennial registration the first year and 50% the second year. DOR estimates that there will be a cost savings in FY06 for envelopes, postage and registration renewal notices since there will be approximately 157,133 owners who choose biennial the first year.

ASSUMPTION (continued)

FY 04

Procedural Changes (530)

FY 05

Overtime hours for microfilming (\$11,925)
Biennial Registration (revenue shift) \$314,266

FY 06

Overtime for microfilming (\$3,320)
Savings for mailings of annual placards \$105,279

Sections 301.130, 301.134, 301.144, 301.456, 301.3106, 301.3122, 301.3123, 301.3124, 301.3125, 301.3126, 301.3128, 301.3129, 301.3132, 301.3137, 301.3999

Specialty Plate and additional Vehicle Weight Provisions

Officials with DOR assume these sections of the proposal could create twelve new license plate types to be known as Missouri State Society Daughters of the American Revolution, Former Missouri Legislator, Friends of Kids with Cancer, Fight Terrorism, Special Olympics Missouri, Be An Organ Donor, Missouri Foxtrotting Horse Breed Association, Concerns of Police Survivors, Firefighters Memorial, Missouri Society of Professional Engineers, Alpha Phi Omega and U.S. Vet. This proposal also creates new categories in the existing specialty plates by increasing the weight limit to 18,000 pounds (including silver star) and requires Amateur Radio to be in the place of SHOW-ME STATE.

Each of the plates registrations would have a \$15 special plate fee. DOR could incur cost for 280 hours of overtime, forms, procedures, postage, and plates/tabs in the amount.

Officials with DOR-Information Technology Bureau (ITB) could require 180 hours of overtime programming to modify the special plate reservation program, the renewal pull program for fees and the Uniform Field Office System (UFOS). Programming overtime costs are estimated to be \$4,221. In addition, the State Data Center will require \$500 storage costs annually for these plate records.

Officials with the **Department of Health and Senior Services (DHSS)** assume this proposal could have a modest positive effect on the Organ Donor Fund due to contributions by persons with the Organ Donor special plate. DHSS assumes the potential funds deposited into the Organ

Donor Fund would be \$2,500-\$6,250 annually. For fiscal note purposes, **Oversight** will use the estimates provided by DOR for the Organ Donor and Antiterrorism Fund.

ASSUMPTION (continued)

Officials with the **State Treasurer's Office (STO)** assume this section of the proposal could create an Organ Donor Fund to be administered by their agency. STO assumes they could need an additional Accountant II to administer the Fund. **Oversight** assumes that STO could absorb the cost of this proposal with existing resources.

FY 04- Income and Cost

License Plate Fees (2,917*\$15)	\$43,755
Overtime salaries	(\$4,340)
Procedures, Forms (including plate designs)	(\$4,433)
Postage	(\$22,726)
Plates and Tabs	(\$21,840)
Organ Donor Donation	\$2,000
Programming	(\$4,221)
Storage	(\$500)

FY 05 and FY 06 Income

License Plate Fees (3,500*\$15)	\$52,500
Organ Donor donation	\$2,500
Storage	(\$500)

Section 301.463 Children's Trust Fund Special Plate

Officials with DOR assume this section could allow their agency to collect a logo use fee for the Children's Trust Fund special plate. This section also removes the \$15.00 fee for this plate and requires the director of revenue to issue sample Children's Trust Fund license plates to all license offices for prominent display along with literature prepared by the director or the children's trust fund describing the purpose of the children's trust fund. DOR further assumes this section allows the general assembly to appropriate moneys annually from the children's trust fund to the DOR to offset costs reasonable incurred by the director of revenue.

FY 04 (10 months) Income (loss) and Cost

Contribution to Children's Trust	\$103,530
Loss of special plate fees (6,902*\$15)	(\$103,530)
Sample Plates (\$8*185)	(\$1,480)

EJ:LR:OD (12/02)

Fund appropriations \$1,480
 Literature provided by Children's Trust Fund Board.

ASSUMPTION (continued)

FY 05 and 06 Income (Loss)

Contribution to Children's Trust	\$124,245
Loss of special plate fees (8,283*\$15)	(\$124,245)

Section 301.132 Street Rod Provisions

Officials with DOR assume this section of the proposal could change the definition of Street Rod, no longer require the renewal registration fee and personalized plate fee and establish a one-time registration fee of \$25. This could cause a decrease in revenues. Currently DVSB registers 135 street rod motor vehicles. In addition, there are approximately 163,696 motor vehicles currently on the General Registration System (GRS) with a model year of 1949 through 1978 that would qualify as custom vehicle. DOR cannot determine the number of owners that would apply as a custom vehicle. However, 5% (8,185) were used for estimation purposes.

DOR-ITB could incur programming cost to make modifications to the General Registration System (GRS) and all associated systems, including the Missouri Transportation Accounting System. Programming costs for these systems are estimated at \$3,640. In addition, the State Data Center has indicated that this proposal could require approximately \$500 annually for computer storage costs associated with these changes.

FY 04- Income (loss) and Cost

136 current Street Rod vehicles*\$25 one time registration fee	\$3,400
8,185 qualifying vehicles *\$25 one time registration fee	\$204,625
136 current Street Rod vehicles*\$41 current annual fee	(\$5,576)
8,185 qualifying vehicles*\$41 current annual fee	<u>(\$335,585)</u>
Total	(\$133,136)
Programming cost	(\$3,640)
Storage	(\$500)

FY 05 and 06 Income (loss) and Cost

1 current Street Rod vehicle(1% growth)*\$25 one time registration fee	\$25
82 qualifying vehicles (1% growth)*\$25 one time registration fee	\$2,050

137 current Street Rod vehicles (1% growth)*\$41 current annual fee	(\$5,617)
8,267 qualifying vehicles (1% growth)*\$41 current annual fee	<u>(\$338,947)</u>
Total	(\$342,489)
Storage	(\$500)

ASSUMPTION (continued)

To implement sections of 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, however, 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.

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 the 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.

This proposal could increase state revenue through additional special plate fees and contributions.

This proposal could also decrease state revenues through decreased registration fees for Street Rods, decrease in fees for Children's Trust Fund special plate and decreased eligibility for federal funds.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
FEDERAL FUNDS			
<u>Income (Loss)-Department of Health</u>			
Federal Grant Monies for Security	(\$29,363,866)	\$0	\$0
<u>Cost Savings-Department of Health</u>			
CERT Program	\$29,363,866	\$29,363,866	\$29,363,866
<u>Income (Loss)-Homeland Security</u>			
Federal Grant Monies for Security	\$29,363,866	(\$19,800,000)	(\$19,800,000)
<u>Cost-Homeland Security</u>			
Cost of CERT program	(\$29,363,866)	(\$29,363,866)	(\$29,363,866)
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>\$0</u>	<u>(\$19,800,000)</u>	<u>(\$19,800,000)</u>
HIGHWAY FUND			
<u>Income (Loss) Department of Revenue</u>			
Biennial Registration income shift	\$0	\$235,670	\$0
Special Plate fees	\$32,816	\$39,375	\$39,375
Children's Trust special plate fee loss	(\$77,648)	(\$93,184)	(\$93,184)
Reimbursement for Sample Plates	\$1,480	\$0	\$0
Street Rod Vehicle Plate Fee (Loss)	(\$99,852)	(\$256,867)	(\$256,867)
<u>Total Income (Loss)-DOR</u>	<u>(\$143,204)</u>	<u>(\$75,006)</u>	<u>(\$310,676)</u>
<u>Savings- Department of Revenue</u>			
Mailing of annual registrations	<u>\$0</u>	<u>\$0</u>	<u>\$105,279</u>

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<u>Cost- DOR</u>			
Overtime Salaries	(\$4,340)	(\$11,925)	(\$3,320)
Procedures and Forms	(\$4,963)	\$0	\$0
Postage	(\$22,726)	\$0	\$0
Plates and Tabs	(\$21,840)	\$0	\$0
Sample plates for Children's Trust	(\$1,480)	\$0	\$0
Programming cost	(\$7,861)	\$0	\$0
Storage	(\$1,000)	(\$1,000)	(\$1,000)
<u>Total Cost- DOR</u>	<u>(\$64,210)</u>	<u>(\$12,925)</u>	<u>(\$4,320)</u>
 ESTIMATED NET EFFECT ON HIGHWAY FUND	 <u>(\$207,414)</u>	 <u>(\$87,931)</u>	 <u>(\$209,717)</u>
 ORGAN DONOR FUND			
<u>Income-Department of Health</u>			
Special plate contributions	<u>\$2,000</u>	<u>\$2,500</u>	<u>\$2,500</u>
 NET ESTIMATED EFFECT ON ORGAN DONOR FUND	 <u>\$2,000</u>	 <u>\$2,500</u>	 <u>\$2,500</u>
 ANTI TERRORISM FUND			
<u>Income-Homeland Security</u>			
Special plate contribution	<u>\$2,000</u>	<u>\$2,500</u>	<u>\$2,500</u>
 NET ESTIMATED EFFECT ON THE ANTI TERRORISM FUND	 <u>\$2,000</u>	 <u>\$2,500</u>	 <u>\$2,500</u>

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
CHILDREN'S TRUST FUND			
<u>Income</u>			
Special Plate Contribution	\$103,530	\$124,240	\$124,240
<u>Cost</u>			
Reimbursement to DOR	<u>(\$1,480)</u>	<u>\$0</u>	<u>\$0</u>
NET ESTIMATED EFFECT ON CHILDREN'S TRUST FUND	<u>(\$102,050)</u>	<u>\$124,240</u>	<u>\$124,240</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
LOCAL FUNDS			
<u>Income (Loss)-Cities</u>			
Biennial Registration Income shift	\$0	\$47,140	\$0
Special Plate fees	\$6,563	\$7,875	\$7,875
Children's Trust Fund fee loss	(\$15,530)	(\$18,637)	(\$18,637)
Street Rod Plate fee loss	<u>(\$19,970)</u>	<u>(\$51,373)</u>	<u>(\$51,373)</u>
<u>Total Income (Loss)- Cities</u>	<u>(\$28,937)</u>	<u>(\$14,995)</u>	<u>(\$62,135)</u>
<u>Income (Loss)-Counties</u>			
Biennial Registration Income Shift	\$0	\$31,426	\$0
Special Plate Fees	\$4,375	\$5,250	\$5,250
Children's Trust Fund fee loss	(\$10,353)	(\$12,424)	(\$12,424)
Street Rod Plate fee loss	<u>(\$13,313)</u>	<u>(\$34,248)</u>	<u>(\$34,248)</u>
<u>Total Income (Loss)-Counties</u>	<u>(\$19,291)</u>	<u>(\$9,996)</u>	<u>(\$41,422)</u>

NET ESTIMATED EFFECT ON LOCAL FUNDS	<u>(\$48,228)</u>	<u>(\$24,991)</u>	<u>(\$103,557)</u>
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FISCAL IMPACT - Small Business

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

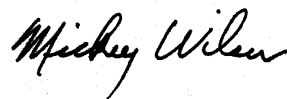
DESCRIPTION

This proposal revises the disabled license plate law, creates numerous special license plates and creates a new state fund.

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 Public Safety
Department of Health and Senior Services
Office of State Courts Administrator



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