

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3086-01
Bill No.: SB 757
Subject: Motor Vehicles; Roads and Highways; Licenses - Motor Vehicles
Type: Original
Date: January 7, 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 OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 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 with the **Department of Public Safety- Missouri State Highway Patrol** assume this proposal would not have fiscal impact on their agency.

Officials with the **Department of Revenue (DOR)** assume that their agency will incur costs for notifying the field of procedures changes.

FY 05 Cost

Procedural changes and mailings	\$368
Envelopes	\$ 11
Postage	<u>\$151</u>
Total	\$530

Oversight assumes the costs for notifying the field of procedures changes would not be material and could be absorbed within existing resources.

Officials with the **Department of Transportation (MoDOT)** assume the fiscal impact of the proposal cannot be easily quantified. MoDOT states that this legislation might permit some persons to license their vehicles at a reduced rate. The annual license fee for 'Driveaway' operation is \$44.50 and MoDOT assumes the broad language of the new provision could be

ASSUMPTION (continued)

interpreted to include almost any movement of a motor vehicle or trailer by a person other than a dealer over a public highway, as long as the vehicle is transported from one place to another. Therefore, under the proposed legislation, almost anyone could obtain a vehicle license for an annual fee of \$44.50. MoDOT anticipates that this proposed statutory change could have a significant negative impact on its revenue, although the amount cannot be easily quantified.

With information from the DOR, **Oversight** assumes that the language in this particular version of the proposal does not significantly broaden the definition of 'Driveaway'. Therefore, it is assumed that persons would not be eligible to license their vehicles at a reduced rate.

Officials with MoDOT further assume that the expansion of the operating radius for 'Land Improvement Contractor' plates from 25 to 50 miles could increase the number of persons purchasing the Contractor plates instead of the regular commercial plates. MoDOT assumes that this reduction could cause a decrease in monies deposited into the Highway Fund.

Officials with the DOR state that the current number of 'Land Improvement Contractor' plates are 158. **Oversight** assumes that changing the mile radius for these Contractor plates would not have a significant fiscal impact on the Highway Fund.

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

This proposal could have direct fiscal impact to small businesses. Those businesses that have 'Driveaway' plates could register on a biennial basis. Those businesses that have a 'Land Improvement Contractor' plate could have increased radius of operation.

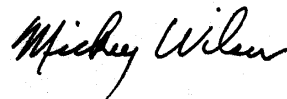
DESCRIPTION

This act modifies the definition of "driveaway operation" to include the transporting of vehicles in transit from one place to another by driveaway or towaway methods. The act provides that driveaway license plates may only be used for the purpose of transporting vehicles in transit. Driveaway license plates may not be used by tow truck operators transporting wrecked, abandoned, improperly parked, or burned vehicles. The act extends the area for certain land improvement contractors' commercial motor vehicles from 25 miles to 50 miles

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
Missouri State Highway Patrol



Mickey Wilson, CPA
Director
January 7, 2004