COMMITTEE ON LEGISLATIVE RESEARCH **OVERSIGHT DIVISION**

FISCAL NOTE

L.R. No.: 3903-02 Bill No.: Perfected SCS for SB 957 Subject: Motor Vehicles; Licenses- Motor Vehicle; Military Affairs. Type: Corrected# April 9, 2002 Date: <u>#To correct Oversight assumptions.</u>

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS				
FUND AFFECTED	FY 2003	FY 2004	FY 2005	
#	\$0	\$0	\$0	
Total Estimated Net Effect on <u>All</u> State Funds#	\$0	\$0	\$0	

#

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2003	FY 2004	FY 2005	
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2003	FY 2004	FY 2005	
Local Government	Unknown	Unknown	Unknown	

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** (DOR)- **Division of Motor Vehicle and Drivers Licensing** (MVB) could not determine the number of Operation Enduring Freedom plates that will be requested. This will have an unknown impact on their agency.

The provisions of this proposal authorize a specialized Operation Enduring Freedom license plate. Each applicant must pay an additional \$15 fee for the plate. This proposal would have an impact on revenue; however, because the MVB does not know the number of individuals who will apply for this special plate, the revenue increase cannot be determined. This will have an unknown revenue increase.

#In response to a similar proposal, DOR noted that if there would be 100 applications for new special plates each year, the Motor Vehicle Bureau would not require overtime hours to process those applications. However, DOR also stated the Motor Vehicle Bureau would require overtime for staff to process larger numbers of additional applications. The MVB would also incur costs for policies, procedures and postage; however, the cost for these forms will be minimal for 100 additional new applications. DOR noted that additional appropriations would need to be requested for future years if new applications beyond the 100 anticipated are received.

#In the past, programs similar to this proposed 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.

#DOR states if highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

Officials from the Department of Revenue also assume there will be minimum impact for the section of the proposal regarding the historic motor vehicles. DOR assumes there are 93 years of manufacture license plates that the proposal would effect. Since the \$15 personalized plate fee would be eliminated, there will be a decrease in revenues as follows:

 $\frac{FY03}{93 \text{ x } \$15} = \$1,395/12 \text{ x } 10 = \$1,163 \text{ x } 75\% = (\$872) \text{ Highway} \\ \text{x } 15\% = (\$174) \text{ Cities} \\ \text{x } 10\% = (\$116) \text{ Counties} \end{cases}$

ASSUMPTION (continued)

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FY04 and FY05

\$1,395 x 75% = (\$1,046) Highway \$1,395 x 15% = (\$209) Cities \$1,395 x 10% = (\$139) Counties

Oversight assumes the fiscal impact of this proposal would be minimal and could be absorbed from existing resources.

#Oversight also assumes the number of plates to be issued, and the revenues and costs associated with this proposal would be minimal and could be absorbed from existing resources. If the volume of new special license plates exceeds anticipated levels, additional funding could be requested through the existing budget process.

Officials from the **Department of Highway and Transportation** were unable to provide an estimate for this proposal. Therefore they must rely upon the DOR's response.

Officials from the **Missouri Veterans Commission** and the **Missouri Highway Patrol** assume this proposal will not have an impact on their agency.

FISCAL IMPACT - State Government	FY 2003 (10 Mo.)	FY 2004	FY 2005
HIGHWAY FUNDS			
Income- Department of Revenue Special License Plate Fees#	\$0	\$0	\$0
<u>Cost</u> - Department of Revenue Cost associated with special plates#	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HIGHWAY FUNDS# #	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FISCAL IMPACT - Local Government	FY 2003 (10 Mo.)	FY 2004	FY 2005

Income-Cities

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FISCAL IMPACT - Local Government	FY 2003	FY 2004	FY 2005
Special license plate fees#	(10 Mo.) \$0	\$0	\$0
Income-Counties Special license plate fees#	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT#	<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.

DESCRIPTION

This proposal would allow those who serve in Operation Enduring Freedom to receive a special license denoting such service. This proposal would also revise the process for the registration of historic motor vehicle plates. Owners of vehicles with plates consistent with the year of manufacture would be allowed to register and keep those plates.

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 Highway and Transportation Missouri Highway Patrol Missouri Veterans Commission

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