

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4235H.011
 Bill No.: HB 1798
 Subject: Motor Vehicles; Licenses - Motor Vehicle
 Type: Original
 Date: January 18, 2024

Bill Summary: This proposal modifies fees for new or reissued special personalized license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue Fund*	(\$763,773)	(\$840,540)	(\$840,540)
Total Estimated Net Effect on General Revenue	(\$763,773)	(\$840,540)	(\$840,540)

*Loss of revenue due to not collecting the \$15 special personalized license plate for renewals. This is net of the additional revenue from increasing the fee from \$15 to \$30 for new or reissued specialty plates.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Administrative Impact

- To implement the proposed legislation, the Department will be required to:
- Update internal procedures, forms, and Department website;
- Implement identified system changes and conduct UAT testing;
- Train Staff

FY 2025 – Motor Vehicle Bureau (MVB)

Associate Research/Data Analyst 40 hrs. @ \$21.64 per hr. = \$865

Research/Data Analyst 15 hrs. @ \$27.00 per hr. = \$405

Administrative Manager 10 hrs. @ \$29.31 per hr. = \$293

FY 2025 – Strategy and Communications Bureau

Research/Data Assistant 100 hrs. @ \$27.00 per hr. = \$2,700

Associate Research/Data Analyst 20 hrs. @ \$21.64 per hr. = \$432

FY 2025 – Systems Analysis and Support

Associate Research/Data Analyst 227 hrs. @ \$21.64 per hr. = \$4,912

Research/Data Analyst 57 hrs. @ \$27.00 per hr. = \$1,539

Administrative Manager 29 hrs. @ \$29.31 per hr. = \$849

Total cost: **\$11,995**

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR notes OA-ITSD services will be required at a cost of **\$63,323** in FY 2025 (603.08 hours x \$105 per hour).

Oversight does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

Revenue Impact

DOR also notes, during FY 2023, the department processed the following personalized plates new, renewed, and reserved:

New: 2,143 x \$15 = \$32,235
 Reserved: 18,458 x \$15 = \$276,870
 Renewed: 76,581 x \$15 = \$1,149,645

This legislation will result in an estimated increase of \$309,105 (\$32,235 + \$276,870) the first two years of implementation. Due to the loss of the \$15 fee upon renewal, an estimated loss of up to \$1,149,645.

Oversight does not have information to the contrary; therefore, Oversight will reflect the increase in revenue due to doubling the initial fee for specialty plates and the decrease in revenue due to not collecting a fee for renewal specialty plates for all fiscal years as the effective date of this proposal, which will be August 28, 2024 (FY 2025).

Officials from the **Missouri Department of Transportation** and **Missouri Highway Patrol** each defer to DOR for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE FUND			
<u>Revenue</u> – increase due to increasing the initial fee for specialty plates from \$15 to \$30	\$257,588	\$309,105	\$309,105
<u>Cost</u> – DOR – OA-ITSD services	(\$63,323)	\$0	\$0
<u>Loss</u> – loss of the \$15 fee for renewed specialty plates	(\$958,038)	(\$1,149,645)	(\$1,149,645)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$763,773)	(\$840,540)	(\$840,540)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

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

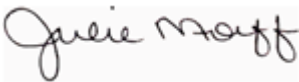
FISCAL DESCRIPTION

Currently, special personalized license plates cost an additional \$15 over the regular registration fees. This bill increases the special personalized license fee to \$30, and specifies that the increased amount will only be charged for new or reissued plates and not annually upon renewal of existing 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
Missouri Department of Transportation
Missouri Highway Patrol



Julie Morff
Director
January 18, 2024



Ross Strope
Assistant Director
January 18, 2024