

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 101** SLS 17RS 376

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 3, 2017	8:12 AM	Author: RISER
Dept./Agy.: Dept. of Public Safety/Office of Motor Vehicles		Analyst: Zachary Rau
Subject: Issuance of Duplicate Military Honor Plates for use on Trailers		

MOTOR VEHICLES OR INCREASE GF EX See Note Page 1 of 1
 Authorizes issuance of a military honor license plate with an identical number for a motorcycle or boat trailer. (8/1/17)

Present law authorizes the issuance of military honor license plates to veterans and other military personnel. Proposed law allows holders of military honor plates pursuant to present law to issue a military honor plate with an identical number for use on a motorcycle and boat trailer without payment of any additional license tax or fee. Proposed law requires the department to adopt necessary rules and regulations to implement proposed law.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

The Dept. of Public Safety, Office of Motor Vehicles reports that provisions of proposed law cannot be implemented at this time, as the Unisys Mainframe cannot presently support the issuance of the same license plate for multiple vehicles and trailers. For reference, OMV further reports that to construct a new system capable of complying with proposed law would cost an estimated \$30 - 50 M. The LFO is unable to corroborate the estimated system solution requirement cost. To the degree that OMV may be able to create an alternate solution to issue multiple plates with an identical number for multiple vehicle types, the costs could be significantly mitigated. Regardless of the solution, there would likely be significant programming costs incurred for which OMV may require additional SGF resources.

Furthermore, to the extent OMV purchases 2,000 new plates (1,000 boat trailer plates + 1,000 motorcycle plates) at \$3.70 per plate, it would incur an SGR expenditure of \$7,400 for the first 1,000 plates of each vehicle type that must be absorbed within its existing budget authority without an offset from the \$3.50 handling fee it collects on prestige license plates (See Revenue Explanation).

REVENUE EXPLANATION

Proposed law would decrease SGR collections for the Office of Motor Vehicles by an indeterminable amount if the OMV system were able to implement the provisions of proposed law (See Expenditure Explanation).

The proposed law allows applicants for the duplicate license plate(s) to acquire the plate without payment of any additional license tax or fee. For reference, the current fees for boat trailer license plates total \$25 (renewed every four years) and the current fees for motorcycle plates total \$12 (renewed every four years). To the extent persons holding the military license plate obtain both the motorcycle and boat trailer license plates, the OMV would realize a revenue loss of \$37 every four years. Furthermore, the OMV also collects a \$3.50 handling fee per plate. The OMV would realize a reduction of \$3.50 per plate to the extent these plates are requested.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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