

Fiscal Estimate Narratives

DOT 11/7/2003

LRB Number 03-2674/1	Introduction Number AB-614	Estimate Type Original
Subject Registration plates for veterans of Kosovo, Afghanistan, and Iraq wars and stickers for recipients of Air Medal and 2 other medals		

Assumptions Used in Arriving at Fiscal Estimate

This bill adds to the list of authorized groups for special military group plates: veterans of the Kosovo war, the Afghanistan war, and the Iraq war; and also persons awarded the Air medal, the Defense Meritorious Service medal, and the Meritorious Service medal.

One-time cost:

DMV would need to program the data processing system to recognize six additional Military Group plates. This is estimated to require 13 days of programming time, at a cost of \$560/day for personnel and \$222/day for computer time to develop and test the changes. DMV would incur a one-time cost of \$10,200 for system changes. This cost occurs regardless of how many plates are issued.

The bill does not fund the cost, and DMV cannot absorb the cost within its current appropriation.

Volume:

In July 2003, there are 618 vehicles registered with Gulf War veteran plates and 22 with Somalia War veteran plates. Based on this, DMV estimates that in the first year, perhaps 800 plates would be sold for all three additional wars. In July 2003, there are 352 vehicles registered with Bronze Star plates, 59 with Silver Star, and 35 with Airman's Medal recipient plates. Based on this, DOT estimates that in the first year, perhaps 500 plates would be sold for all three additional medals. Total first-year plate sales would be 1,300.

DMV's experience is that special group plate sales are strongest in the first year of availability, and then decline. Over the long term, plate sales resulting from AB 614 may average 20-25 per year.

On-going costs:

DMV's cost to issue a special license plate is on average slightly more than \$16 per transaction. This includes the cost of the plate, validation stickers, and postage cost, and also staff cost to process a transaction.

In the first year of plate sales, about 1,300 plates might be sold. Cost to DMV would be about \$20,800. Of this amount, \$10,900 reflects non-staff costs including plates, stickers, and postage, and \$9,900 reflects staffing cost. Because the activity would occur for a short time, the staffing need is met with LTE's.

The bill does not increase the DMV appropriation to fund this cost, and DMV cannot absorb this cost within its current appropriation.

Revenue: In the first year of plate sales, if 1,300 plates were sold, the Transportation Fund would experience increased revenue of \$19,500. The increase would be to the balance of the Transportation Fund, and is not appropriated to DMV to offset DMV's cost.

Long-Range Fiscal Implications

DMV's experience is that special group plate sales are strongest in the first year of availability, and then decline. Over the long term, plate sales resulting from AB 614 may average 20-25 per year. This workload could be absorbed by DOT's current staff. On-going revenue increase to the Transportation Fund would be negligible.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Registration plates for veterans of Kosovo, Afghanistan, and Iraq wars and stickers for recipients of Air Medal and 2 other medals			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
DMV would need to program the data processing system to recognize six additional Military Group plates. DMV would incur a one-time cost of \$10,200 for system changes. This cost occurs regardless of how many plates are issued. The bill does not fund the cost, and DMV cannot absorb the cost within its current appropriation.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$9,900		
(FTE Position Changes)			
State Operations - Other Costs	10,900		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$20,800		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	20,800		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S	19,500		
TOTAL State Revenues	\$19,500	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$20,800	\$	
NET CHANGE IN REVENUE	\$19,500	\$	
Agency/Prepared By		Authorized Signature	Date
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