



**Fiscal Note Request HB0543, As Introduced**

(continued)

5. The fiscal impact figures of reducing the number of plates required on a motor vehicle are based upon passage of the present law adjustment in the Executive Budget (DP3, License Plate Reissue), which increases the base budget to comply with current law.
6. There is a manufacturing fee of \$5.00 per regular issue plate and \$8.00 per specialty plate. It is the assumption of MCE that this fee will not change with HB 543. The estimated cost per plate with the license plate reissue and the production of two license plates per vehicle was \$1.80 (\$3.60 per set) and \$1.95 (\$3.90 per set) for fiscal years 2006 and 2007 respectively. With these costs, the license plate reissue was expected to generate revenue for the general fund. The cost per plate with the reduction to only one license plate is estimated to be \$2.01 and \$2.49 for fiscal years 2006 and 2007 respectively. Although the cost per plate is higher, only one plate will be produced and issued per vehicle, therefore increasing revenue of each plate sold.
7. A cost savings is achieved by a total reduction in plate production but it has to be netted against an increase in raw material costs and an increase in fixed cost per plate which does net to a total cost savings of \$1,753,825 in FY 2006 and \$544,390 in FY 2007.

**Department of Justice**

8. There would be a **cost savings** of approximately \$2,000 in freight due to less volume and less weight being hauled to the county court houses.

FISCAL IMPACT:

	FY 2006 <u>Difference</u>	FY 2007 <u>Difference</u>
<b>Department of Corrections</b>		
<u>Expenditures:</u>		
Operating Expenses	(\$1,753,825)	(\$544,390)
 <u>Funding of Expenditures:</u>		
General Fund (01)	(\$1,753,825)	(\$544,390)
 <u>Revenues:</u>		
General Fund (01)	\$0	\$0
 <b>Department of Justice</b>		
<u>Expenditures:</u>		
Operating Expenses	(\$2,000)	\$0
 <u>Funding of Expenditures:</u>		
General Fund (01)	(\$2,000)	\$0
 <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$1,755,825	\$544,390

LONG-RANGE IMPACTS:

The digital license plate equipment would not be used as much producing one plate per vehicle registration. This could lengthen the life of the equipment.