Proposed law requires the Department of Public Safety and Corrections, Public Safety Services (DPS), Office of Motor Vehicles (OMV) to create the Maddie's Footprints special prestige license plate, license plate, provided there is a minimum of 1,000 applicants for such plate. Proposed law provides that OMV shall create the Maddie's Footprints special prestige license plate when OMV's electronic vehicle and title registration system is updated to accommodate the creation of new plates. Proposed law restricts the specialty license plate to passenger cars, pickup trucks, recreational vehicles, motorcycles, and vans. Proposed law provides that DPS shall design the plate in conjunction with the executive director of Maddie’s Footprint nonprofit and the plate shall include the words "Maddie's Footprints". Proposed law directs DPS to collect a $25 annual royalty fee and forward the fee to the Maddie's Footprint nonprofit. Proposed law authorizes DPS to collect a $3.50 handling fee for each plate to be retained by DPS to offset a portion of administrative costs. Proposed law effective 8/01/2022.

Proposed law will have an indeterminable, likely marginal, impact on state expenditures for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) to issue a special prestige license plate because of the inability of OMV’s legacy system to create additional special prestige license plates at this time. OMV’s old legacy system, which is over 45 years old, cannot accommodate additional 2-digit codes that are used to define a prestige plate as the currently available codes are all in use. Therefore, the proposed law is not likely to create a direct expenditure impact within the five-year scope of this fiscal note; however, there will be a marginal cost once the plate is issued based on historical costs (see NOTE ON PAGE 2).

The proposed law provides that DPS shall create the Maddie’s Footprints plate when the department’s Vehicle Registration Platform system is updated to accommodate the creation of new plates. OMV, in conjunction with the Office of Technology Services (OTS), began the OMV Re-Engineering Project of the Vehicle Registration Platform system in FY 18 to build a new system to replace the current OMV legacy system. The project is scheduled to be completed over five to seven years, assuming ongoing appropriations are made, at an annual cost of approximately $16.6 M for a total cost of $8 M - $11 M SGR. OMV reports that once completed the replacement system will be capable of coding additional prestige plates created by statute in the interim period.

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REVENUE EXPLANATION

Proposed law will have an indeterminable impact on SGR revenues for the Department of Public Safety (DPS), Office of Motor Vehicles (OMV) derived from the issuance of special prestige license plates because of the OMV legacy system's inability to create additional prestige plates at this time. To the extent these plates are issued in the future, the proposed law may generate $3,500 in self-generated revenue for the Office of Motor Vehicles for every 1,000 "Maddie’s Footprints" plates that are issued. The proposed law authorizes OMV to charge a $3.50 handling fee per license plate sold to offset a portion of administrative costs ($3.50 x 1,000 plates = $3,500).

Proposed law may also generate $50,000 in royalty fees at $25 annually per plate for every 1,000 plates issued ($25 per plate x 1,000 x 2 years). Fees are collected every two years upon renewal. Royalties collected are deposited into an escrow account and then would be forwarded to the Maddie's Footprint nonprofit organization.
NOTE:
Historically, legislation issuing special prestige license plates results in an indeterminable, but likely marginal, increase in state expenditures for supplies associated with the manufacture of license plates. The proposed law will require $3,700 in supply purchases to manufacture 1,000 "Maddie's Footprints" plates at a cost of $3.70 per plate ($3.70 x 1,000 = $3,700). Each additional license plate would result in an expenditure increase of $3.70. DPS is limited to collecting only $3.50 for administrative costs, every 1,000 plates issued each fiscal year results in an expenditure of $200 SGF or SGR.

The total expenditures in the first year are approximately $3,700, assuming 1,000 plates are manufactured and sold. Each additional license plate would result in an expenditure increase of $3.70. Because the cost of manufacturing a plate exceeds the administrative fee allowed to the department, each plate manufactured would result in a $0.20 impact that would be absorbed within the department's existing budget authority or may require SGF support if the existing budget is insufficient.