

BDR 43-1078 AB 457

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 3, 2023

Agency Submitting: Department of Motor Vehicles, Research and Project Management

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Loss of revenue from plate fees and cost allocation (Revenue)		(\$372,700)	(\$391,047)	(\$782,094)
Reduction in expenditures from materials and operating expenses (Expense)		(\$227,881)	(\$239,100)	(\$478,200)
Balance forward from previous year (Revenue)			(\$144,819)	(\$296,766)
Total	0	(\$144,819)	(\$296,766)	(\$600,660)

Explanation

(Use Additional Sheets of Attachments, if required)

AB 457 (BDR 43-1078) relates to license plates and would remove the requirement for DMV to automatically reissue license plates every 8 years; customers wanting to get duplicate or substitute plates must apply for them according to established provisions governing the issuance of duplicate or substitute plates. This bill becomes effective on October 1, 2023.

This change is being done at the request of DMV; the fiscal impacts shown here have also been identified and included in the proposed License Plate Factory (Budget Account 4712) budget for fiscal years 2024 and 2025. These impacts can be found in decision unit E244 of budget account 4712.

Name Angela Smith-Lamb

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency response appears reasonable.

Date Monday, April 03, 2023

Name Jim Rodriguez

Title Administrator

BDR /Bill/ Amendment #: AB 457

Agency Name: **Department of Motor Vehicles**

Division Name: **RPM**

Date: **3/31/2023**

Basis for Calculation:

(1) Impact calculated in Dec. Unit E244 of Budget Account 4712 in the Department's submitted budget, and shown as loss of revenue from license plate fees, estimated to be - \$372,700 in FY23/24 and -\$391,047 in FY24/25.

(2) Reductions in expenditures in Cat 04 and Cat 43 are calculated to be \$227,881 in FY 23/24 and \$239,100 in FY 24/25.

(3) Impact to FY24/25 also includes the reserve balance forward from previous FY, calculated at \$144,819.

Category	FY 22/23 (Based on FY22 Actuals)	FY 23/24	FY 24/25	Future Biennia (FY26 + FY27)
Balance forward from the previous year Revenue	\$ -	\$ -	\$ (144,819.00)	\$ (296,766.00)
Loss of revenue from plate fees, special plates cost allocation and balance forward from previous year	\$ -	\$ (372,700.00)	\$ (391,047.00)	(\$782,094)
Reduction in expenditures from materials and reserve balance forward to subsequent FY's	\$ -	\$ 227,881.00	\$ 239,100.00	\$478,200
Totals	\$ -	\$ (144,819)	\$ (296,766)	\$ (600,660)