

FISCAL NOTE

July 14, 2020

Bill No:	Senate Bill 954	Printer's No:	1371	Sponsor:	Ward (R)
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COST / (SAVINGS)

Fund (s)	2019-20	Out-Years
Motor License Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: Senate Bill 954 requires vehicle registration stickers to be displayed on all Pennsylvania license plates.

ANALYSIS: Senate Bill 954 reverses Act 89 of 2013, which effectively eliminated PennDOT's responsibilities relating to issuing vehicle registration stickers. Act 89 was implemented as a cost-saving measure for the commonwealth. According to PennDOT, the department has experienced improved efficiencies since the elimination of the registration stickers and has produced a cost savings to date of approximately \$7.9 million.

This bill would be effective 60 days after enactment.

PennDOT anticipates needing a four-year deployment to handle testing and development of annual, two-year and five-year registration stickers. Further, this does not include time needed for Correctional Industries to secure materials to produce the stickers.

FISCAL IMPACT: Senate Bill 954 would increase costs to the department by way of material, system upgrades, inventory and distribution. As of December 31, 2018, there were 12,036,372 vehicles registered in Pennsylvania. Therefore, based on the timeline and costs involved, we estimate the total to be approximately \$4.9 million during the 2022-23 fiscal year and \$1.1 million thereafter to maintain the program.

Costs/Timeline	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Budget Allocation	\$0	\$0	\$0	\$1,100,000	\$1,100,000
Start-Up Inventory	\$0	\$0	\$0	\$3,300,000	
Mailing Costs – 3 years from enactment	\$0	\$0	\$0	\$500,000 ¹	\$0
System Upgrades & Testing – 12 months from enactment	\$0	\$600,000	\$0	\$0	\$0
Total	-	\$600,000	-	\$4,900,000	\$1,100,000

¹ PennDOT would need to mail stickers to those currently registered without a sticker. The estimate is high and based off of the total number of registered vehicles in Pennsylvania multiplied by the USPS business price for First-Class Mail Letters: <https://dbcals.usps.com/CalculatorSetPage.aspx>.