

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1304-01
Bill No.: HB 512
Subject: Taxation and Revenue - General; Department of Revenue; Fees
Type: Original
Date: February 4, 2019

Bill Summary: This proposal modifies provisions related to the collection and retention of fees by certain motor vehicle licensing offices.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume the proposal will have no fiscal impact on their organization. DOR notes it is not possible to implement this proposal without changing the Constitution. The Constitution specifically directs where money collected for license, registration, and titling fees go. Therefore, DOR could not redistribute those fees back to qualifying license offices.

Officials from the **Department of Transportation (MoDOT)** defer to DOR for the fiscal impact of this proposal.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to DOR for the fiscal impact of this proposal. MHP states there could be some indirect impact from this proposal but an amount cannot be determined.

Oversight notes that both MoDOT and MHP each deferred to the Department of Revenue. DOR noted that the disbursements described in the bill could not occur without a change to the Missouri Constitution. Oversight will assume DOR is correct in this assumption and will not reflect a fiscal impact to state highway funds and local transportation from a change in the fees collected by fee agents.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires the Department of Revenue to calculate the total of all additional fees withheld by each license office in a three-month period and allows each license office that collected less than \$20,000 in additional fees within the collection period to retain a portion of those fees that the office would otherwise be required to remit to the state. The portion retained by each license office is equal to the total amount of the additional fees collected by the office during that period, but must not exceed \$10,000.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Department of Public Safety - Missouri Highway Patrol



Kyle Rieman
Director
February 4, 2019

Ross Strobe
Assistant Director
February 4, 2019