

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3090H.02I
 Bill No.: HB 1499
 Subject: Motor Vehicles; Department of Revenue; Licenses - Motor Vehicle
 Type: Original
 Date: January 5, 2024

Bill Summary: This proposal requires a motor vehicle inspection each time a used motor vehicle is sold, regardless of the age or mileage of the vehicle.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Highway Fund (0644)	Unknown, Less than \$250,000	Unknown, Less than \$250,000	Unknown, Less than \$250,000
Highway Patrol Inspection Fund (0297)	Unknown, Less than \$250,000	Unknown, Less than \$250,000	Unknown, Less than \$250,000
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown, Less than \$250,000	Unknown, Less than \$250,000	Unknown, Less than \$250,000

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

Administrative Impact

To implement the proposed legislation the Department will be required to:

- Update procedures, correspondence letters, forms and the Department website;
- Update the Missouri Titling Manual;
- Send Communications to License offices and other Contracted stakeholders; and
- Train Staff

FY 2025 - Motor Vehicle Bureau

Associate Research/Data Analyst 40 Hrs @ \$25.22 = \$1,009

Lead Admin Assistant 20 Hrs @ \$18.54 = \$371

Administrative manager 5 Hrs @ \$29.31 = \$146

Research/Data Analyst 10 Hrs @ \$27.00 = \$270

FY 2026 - Strategy and Communications Office

Associate Research/Data Analyst 10 Hrs @ \$21.64 = \$216

Total Cost = \$2,012

The Department anticipates that they will be able to absorb these costs. If multiple bills are passed that require department resources, FTE may be requested through the appropriations process.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials from the **Missouri Highway Patrol (MHP)** assume the following regarding this proposal:

The fiscal impact to the state of Missouri on vehicle inspections equates to \$1.50 per each additional used vehicle safety inspected prior to sale, with \$1.00 deposited into the Highway Fund (0644) and \$0.50 deposited into Highway Patrol's Inspection Fund (0297). It is unknown how many additional inspections, per year, would be conducted with this proposed legislation.

Oversight notes, this proposal requires a motor vehicle safety inspection be provided to the purchaser, unless the vehicle has less than 40,000 miles within three years of its model year. Oversight is unable to determine how many more vehicles will require a safety inspection as a result of this proposal; therefore, Oversight will reflect an “Unknown, but less than \$250,000” fiscal impact to the Highway Fund and the Highway Patrol Inspection Fund.

Officials from the **Missouri Department of Transportation** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for MoDOT.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
HIGHWAY FUND			
<u>Revenue – MHP – increase in the number of inspections (\$1 per)</u>	<u>Unknown, Less than \$250,000</u>	<u>Unknown, Less than \$250,000</u>	<u>Unknown, Less than \$250,000</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>Unknown, Less than \$250,000</u>	<u>Unknown, Less than \$250,000</u>	<u>Unknown, Less than \$250,000</u>
HIGHWAY PATROL INSPECTION FUND			
<u>Revenue – MHP – increase in the number of inspections (\$0.50 per)</u>	<u>Unknown, Less than \$250,000</u>	<u>Unknown, Less than \$250,000</u>	<u>Unknown, Less than \$250,000</u>
ESTIMATED NET EFFECT ON THE HIGHWAY PATROL INSPECTION FUND	<u>Unknown, Less than \$250,000</u>	<u>Unknown, Less than \$250,000</u>	<u>Unknown, Less than \$250,000</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small businesses that provide motor vehicle inspections could be impacted by this proposal.

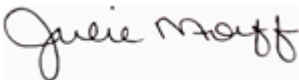
FISCAL DESCRIPTION

This bill requires that a used motor vehicle be inspected according to statute prior to being sold, but not more than 60 days prior to the date of purchase. The seller must give the buyer the certificate of inspection and approval, and the buyer must submit the certificate when applying for registration of the vehicle. The bill requires that the inspection be at the seller's expense. The inspection is not required for vehicles having less than 40,000 miles for the three-year period following the model year of manufacture.

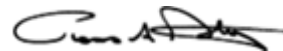
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Missouri Department of Transportation
Missouri Highway Patrol



Julie Morff
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January 5, 2024



Ross Strobe
Assistant Director
January 5, 2024