

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3142H.01I
Bill No.: HB 2130
Subject: Licenses - Motor Vehicle; Motor Vehicles; Department of Revenue
Type: Original
Date: January 22, 2024

Bill Summary: This proposal modifies provisions relating to General Assembly special license plates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	(\$32,439)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$32,439)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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:

To implement the proposed changes, the Department will be required to:

- Update procedures, correspondence letters, forms, and the Department website;
- Update the Missouri Titling manual;
- Send communications to stakeholders as applicable; and
- Train Staff.

FY 2025 – Motor Vehicle Bureau

Associate Research/Data Analyst 40 hrs. @ \$25.22 per hr. = \$1,009

Research/Data Assistant 25 hrs. @ \$27.00 per hr. = \$675

Administrative Manager 10 hrs. @ \$29.31 per hr. = \$293

FY 2025 – Systems Analysis and Support

Research/Data Analyst 7 hrs. @ \$27.00 per hr. = \$189

Administrative Manager 4 hrs. @ \$29.31 per hr. = \$117

Associate Research/Data Analyst 27 hrs. @ \$21.64 per hr. = \$584

FY 2025 – Strategy and Communications Office

Research/Data Analyst Assistant 10 hrs. @ \$27.00 per hr. = \$270

Associate Research/Data Analyst 20 hrs. @ \$21.64 per hr. = \$216

Total Costs = \$3,353

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 will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

DOR also notes OA-ITSD services will be required at a cost of **\$7,439** in FY 2025 (70.85 hours x \$105 per hour).

Fusion Impact

Implementation Consultant \$250/hour x 100hrs = **\$25,000**

Oversight does not have information to the contrary and therefore, Oversight will also reflect the implementation consultant costs as provided by DOR.

DOR notes, the costs associated with these legislative changes may be outside of the current contract and identified programming work for DOR’s incoming integrated system. As such, the department has included the potential costs associated with making the changes to the integrated system by the department’s current vendor.

The fiscal impact estimated above is based on changes in the current mainframe and titling registration information processing systems. The implementation of this legislation will be coordinated with the integration of the Department’s Motor Vehicle and Driver Licensing software system approved and passed by the General Assembly in 2020 (SB 176). To avoid duplicative technology development and associated costs to the state, it is recommended a delayed effective date be added to this bill to correlate with the installation of the new system.

Officials from the **Missouri Department of Transportation (MoDOT)** 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
GENERAL REVENUE FUND			
<u>Cost – DOR – ITSD costs</u>	(\$7,439)	\$0	\$0
<u>Cost – DOR – Fusion implementation consultant</u>	(\$25,000)	\$0	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$32,439)	\$0	\$0

<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

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

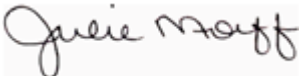
FISCAL DESCRIPTION

This bill changes the special personalized license plates for members of the House of Representatives from beginning with an "R" to beginning with an "H".

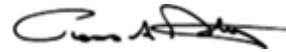
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Missouri Department of Transportation



Julie Morff
Director
January 22, 2024



Ross Strobe
Assistant Director
January 22, 2024