

HCS HB 1775 -- DEPARTMENT OF REVENUE (Perkins)

COMMITTEE OF ORIGIN: Standing Committee on Transportation
Infrastructure

PRIVACY OF MOTOR VEHICLE RECORDS (Section 32.056)

This bill clarifies that the Department of Revenue cannot release the home address or any other information that identifies a vehicle owned or leased by any person who is an active or retired county, State, or Federal parole officer, Federal pretrial officer, a peace officer, a person vested under the Missouri Constitution with judicial power, a member of the Federal judiciary, or a member of such person's immediate family contained in the Department's motor vehicle or driver registration records.

TAX CREDITS (Sections 135.341 and 135.647)

This bill amends provisions of the "Champion for Children Tax Credit".

Currently, if a taxpayer is denied a tax credit because of a lack of available funds, and that denial results in a balance owed to the State, the taxpayer has 60 days from the notice of denial to make payment arrangements. If the balance is not paid within 60 days from the notice, the remaining balance will be due and payable in the same manner as personal income tax.

This bill states that in the event of a full or partial denial of a tax credit because the cumulative maximum amount of credits has already been redeemed, and that denial results in an income tax balance owed to the State, the taxpayer will not be held liable for any additional tax, penalty, or interest on that income tax balance, provided that payment arrangements are made within 60 days from the issuance of the notice of the credit denial.

This bill repeals the language stating that if the balance is not paid within 60 days from the notice, the remaining balance will be treated as personal income tax.

This bill also amends provisions of the "Donated Food Tax Credit".

Currently, the Department of Revenue establishes procedures to ensure that taxpayers can claim all possible portions of the tax credit up to the cumulative amount available for the fiscal year.

This bill states that in the event of a full or partial denial of a tax credit because the cumulative maximum amount of credits has already been redeemed, and that denial results in an income tax

balance owed to the State, the taxpayer will not be held liable for any additional tax, penalty, or interest on that income tax balance, provided that payment arrangements are made within 60 days from the issuance of the notice of the credit denial.

FEE OFFICES (Section 136.055)

This bill creates the "License Office Distribution Fund", which consists of certain moneys collected by motor vehicle registration fee offices, and used solely for the purposes specified in the bill. Beginning after December 31, 2025, but no later than February 15, 2026, equal quarterly disbursements will be made from the Fund to the fee offices awarded contracts under this section, except as provided in the bill.

The bill increases the following fees authorized to be charged by motor vehicle registration offices:

- (1) A motor vehicle or trailer registration issued, renewed or transferred, increases from \$6 to \$9; and a license sold or biennially renewed, increases from \$12 to \$18;
- (2) An application or transfer of title, increases from \$6 to \$9;
- (3) An instruction permit, nondriver license, chauffeur's, operator's, or driver's license issued for a period of three years or less, increases from \$6 to \$9; and a license or instruction permit issued or renewed for a period exceeding three years, increases from \$12 to \$18; and
- (4) A notice of lien processed, increases from \$6 to \$9.

From each of these fee increases collected by contract fee offices, \$1 will be remitted to the License Office Distribution Fund. Money distributed to this Fund will be held in trust for the entities awarded fee contracts and will not be considered state revenue. If a court issues a final judgment that this remitted money is state revenue, this subsection will be null and void.

The bill also prohibits a fee office contract from being awarded to any entity affiliated in any manner with a current employee of the Department of Revenue or with a former employee for the one-year period following a former employee's termination.

All fees authorized and collected by contract fee offices may be retained and used by the entity operating the contract fee office, and all fees authorized and collected by fee offices operated by the Department of Revenue will be considered state revenue. The authorized fees may be collected by all contract fee offices and

must be collected by all offices operated by the Department of Revenue.

The bill changes the advantage given to tax-free organizations and entities in the competitive bidding process for a Department of Revenue fee office by changing the wording from "priority" and "special consideration" to "at least 5% of evaluation credit" for each factor.

HOMELESS CHILDREN (Sections 136.055, 302.178, 302.181)

Homeless children, homeless youth, and unaccompanied youth are exempted from certain fees collected by Department of Revenue fee offices.

A minor's status as a homeless child, homeless youth, or unaccompanied youth must be verified by a letter signed by a director or designee of a governmental or nonprofit agency providing services to homeless persons, by a local education agency liaison as described under Federal law, by a school social worker or counselor, or by an attorney who is representing the minor in a legal matter.

This bill adds a homeless child or homeless youth to the definition of "emancipated minor" for purposes of proving the supervised driving experience required to obtain an intermediate driver's license, and exempts emancipated minors from intermediate driver's license fees.

No fee shall be required or collected from a homeless child, homeless youth, or unaccompanied youth to obtain his or her first nondriver identification card.

ALTERNATIVE FUEL DECALS (Section 142.869)

The bill provides owners of vehicles required to purchase an alternative fuel decal the option of purchasing a biennial alternative fuel decal for twice the fee of an annual fuel decal.

FARM FLEET VEHICLES (Section 301.033)

This bill requires the Director of the Department of Revenue to establish a system of registration on an annual or biennial basis, applicable to all farm vehicles owned or purchased by the owner of a farm vehicle fleet. Any owner of more than one farm vehicle required to be registered may register a fleet of farm vehicles on

an annual or biennial basis in lieu of standard registration periods.

All farm fleet vehicles must be registered in April or on a prorated basis as provided in the bill, and fees for farm fleet vehicles registered on a calendar year or biennial basis shall be payable not later than the last day of April, with 2 years' fees due for biennial registration. The bill requires a certificate of inspection and approval issued no more than 120 days prior to registration. Fees for vehicles subsequently added to an existing farm vehicle fleet shall be prorated as specified in the bill.

Farm vehicles registered as specified in this bill are issued a multi-year special license plate bearing the words "Farm Fleet Vehicle" and do not require issuance of registration renewal tabs. Upon payment of the registration fees, the Director of the Department of Revenue issues a registration certificate or other suitable evidence that annual or biennial fees have been paid, which shall be carried in the vehicle at all times.

FLAT RATE VEHICLE REGISTRATION FEES (Sections 301.055, 301.070, and 301.140)

This bill replaces the current motor vehicle registration fees, based on horsepower, with a flat rate of \$25, as well as establishes a single fee amount of \$10 for motorcycles, motortricycles, and autocycles.

ALTERNATIVE FUEL VEHICLE REGISTRATION (Section 301.110)

As specified in this bill, the Director of the Department of Revenue may stagger collection of alternative fuel decal fees and issuance of alternative fuel decals so that issuance coincides with vehicle registration. The bill also provides that the Director may issue a receipt of payment in lieu of a decal.

DISABILITY PLACARDS (Section 301.142)

This bill increases the renewal period for removable windshield disability placards from four years to eight years and requires that the Department of Revenue automatically renew current valid disabled placards for eight years or for the duration that correlates with the disabled person's current physician's statement expiration date, until all permanent disabled placards are on an eight-year renewal cycle.

STAGGERING OF VEHICLE REGISTRATION PERIODS (Sections 301.142 and 301.147)

This bill specifies that the Director of the Department of Revenue may stagger expiration dates for disabled person windshield placards (Section 301.142), and for motor vehicle registrations (Section 301.147), for the convenience of applicants.

VEHICLE REGISTRATIONS BASED ON MODEL YEAR (Sections 301.147, 307.350, and 643.315)

This bill repeals a requirement that biennial vehicle registration be based on the vehicle's model year (Section 301.147), as well as corresponding language in the requirements for vehicles to undergo safety inspections (Section 307.350) and emissions inspections (Section 643.315). As specified in the bill, vehicles subject to safety or emissions inspections can undergo the inspections prior to registration or renewal in any year.

CONSERVATION HERITAGE FOUNDATION EMBLEMS (Section 301.469)

The bill also specifies that the application for a Missouri Conservation Heritage Foundation emblem license plate and payment of the \$25 contribution may be made at the time of registration to the Director of the Department of Revenue, who must deposit the contribution to the credit of the Missouri Conservation Heritage Foundation.

VEHICLE DEALERS' VEHICLE REGISTRATIONS (Section 301.560)

This bill repeals a provision exempting certain fees paid for certain vehicle dealers' vehicle registrations from deposit in the "Motor Vehicle Commission Fund".

The bill also specifies issuance of and fees for registration renewal tabs issued to certain vehicle dealers.

DISABLED AMERICAN VETERANS LICENSE PLATES (Section 301.3061)

This bill changes the requirements as to how a Disabled American Veterans special license plate must look by removing the specific requirements and requiring only an emblem and slogan of the Disabled American Veterans organization.

CONTINGENT EFFECTIVE DATE (Section B)

This bill will take effect as soon as technologically possible following the development and maintenance of the Department of Revenue's modernized, integrated motor vehicle registration and driver licensing system.