

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0176H.04P  
Bill No.: Perfected HCS for HB 378  
Subject: Motor Vehicles; Licenses - Motor Vehicle; Law Enforcement Officers and Agencies  
Type: Original  
Date: March 27, 2025

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Bill Summary: This proposal modifies provisions relating to registration.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$122,969)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$122,969)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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)
Motor Vehicle Administration Technology Fund (0696)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- ☐ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§301.140 – Temporary Vehicle Registrations**

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

#### **Motor Vehicle Bureau**

With the proposed legislation giving more serious ramifications for operating a vehicle on an expired temporary permit, the Department anticipates an increase in vehicle registration transactions. An increase in registration transactions could be accompanied by a surge in phone calls, correspondence letters, emails, etc. The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. 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 DOR assume the proposal will have no fiscal impact on their organization.

**Oversight** notes the proposal includes a fine of \$250 if a temporary permit is expired by at least 70 days or a temporary permit has been altered. Oversight cannot determine how many vehicles with temporary permits will be stopped to be inspected by law enforcement; therefore, Oversight will assume an “Unknown” fiscal impact. Oversight assumes this fiscal impact will exceed \$250,000 as only 1,000 drivers will need to be fined to exceed that threshold. Fines are distributed to the school district where the violation occurred. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula.

**Oversight** notes, based on information provided by the Office of the State Courts Administrator, there were 21,319 misdemeanor guilty dispositions of failing to register a motor vehicle (§301.020) in FY 2024.

Officials from the **Missouri Highway Patrol** 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.

In response to a previous version, officials from the **Missouri Department of Transportation** and **Office of the State Courts Administrator** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Phelps County Sheriff, Kansas City Police Department, Branson Police Department** and **St. Louis County Police Department** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other law enforcement agencies were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

§§301.020, 301.190, 307.350 & 307.380 - Motor Vehicle Inspections (HA 2)

In response to a similar proposal from 2025 (HCS for HB Nos. 799, 334, 424 & 1069), officials from the **Department of Revenue (DOR)** assumed the following regarding these sections of proposal:

Administrative Impact

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

- Update procedures, manuals, public correspondence, and website materials
- Update department systems to incorporate changed registration requirements
- Train current employees

FY 2026 – Systems Analysis & Support

Associate Research/Data Analyst 254 hrs. @ \$26.03/hr. =\$6,612

Research/Data Analyst 64 hrs. @ \$27.87/hr. =\$1,784

Administrative Manager 32 hrs. @ \$35.10/hr. =\$1,123

FY 2026 – Strategy & Communications Office

Associate Research/Data Analyst 80 hrs. @ \$26.03/hr. =\$2,082

Research/Data Analyst 60 hrs. @ \$27.87/hr. =\$1,672

Associate Research/Data Analyst 40 hrs. @ \$26.03/hr. =\$1,041

Research/Data Analyst 40 hrs. @ \$27.87/hr. =\$1,115

Total = **\$15,429**

**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.

*FUSION Impact*

**DOR** notes:

Implementation: 10 hrs. @\$225/hr. = **\$2,250**

**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.

The fiscal impact estimated above is based on changes in the current Department's Motor Vehicle system environment. The implementation of this legislation will be coordinated with the integration of the Department's Motor Vehicle and Driver Licensing system approved and passed by the general assembly in 2020 (Senate Bill 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.

**DOR** notes OA-ITSD services will be required at a cost of **\$70,873** in FY 2025 (674.98 hours x \$105 per hour).

**Oversight** does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

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

For each safety inspection performed, one dollar is deposited into the Highway Fund (0644) and fifty cents is deposited into the Highway Patrol Inspection Fund (0297), which would be reduced with this proposed legislation.

This bill removes the requirement for vehicles over 10 years old to be safety inspected prior to registration unless there is an odometer reading of 150,000 or more. Starting with model year 2012 vehicles, the vehicle will only require a safety inspection after reaching 150,000 miles. Each year of registration renewals, starting August 28, 2025, a particular group of vehicles will be exempted from the safety inspection process, which would have been required to be inspected under current law. Each year will add a group of vehicles to that list of exempted vehicles. Every two years, a new group will be added while simultaneously subtracting a percentage of vehicles based on mileage accrued in that year. The projected fiscal impact will have many variables and unknowns.

The methodology used for the calculations are as follows:

- a. Sample data from the Department of Revenue was used to estimate the number of registrations for a given model year (2011) vehicle. The data indicated that 120,000 was a reasonable base number and this model year is the most comparable year for accurate comparison.
  - b. Inspection data was utilized to determine that 60% of 2011 model year vehicles inspected in 2023 were under 150,000 miles. 72,000 will be the base number used for estimating newly annual-exempted vehicles.
  - c. Each cycle of the biennial inspection would add a percentage of vehicles that were previously exempted by mileage (under 150,000) but are now not exempted. This rate is estimated at 62% of the base number, which would be added each cycle.
  - d. Under current law, the safety inspection for registration is only applicable if the vehicle year and the registration year are even/even or odd/odd.
  - e. The above-referenced projections were utilized to project “exemptions added” by the bill, which would begin with significance on August 28, 2025, meaning just over 83% of FY 2026.
1. Base annual accrual:  $120,000 \times 0.60 = 72,000$
  2. FY 2026:  $72,000 \times 0.83 = (59,760)$  using 60,000
  3. FY 2027:  $120,000 \times 0.60 = 72,000$
  4. FY 2028:  $(72,000 \times 0.62) = 44,640 + 72,000 = 116,640$
  5. FY 2029:  $(\text{FY 27 total } (72,000) \times 0.62) = 44,640 + 72,000 = 116,640$
  6. FY 2030:  $(\text{base annual accrual } \times 0.20) (0.62 \times 72,000) + 72,000 = 14,400 + 44,640 + 72,000 = 131,040$

**Oversight** does not have information to the contrary; however, Oversight assumes there are too many variables to accurately estimate a specific fiscal impact. Therefore, Oversight will reflect an “Unknown, less than \$250,000” loss to the Highway Fund and the Highway Patrol Inspection Fund for each fiscal year.

In response to a similar proposal from 2025 (HCS for HB Nos. 799, 334, 424 & 1069), officials from the **Missouri Department of Transportation** assumed 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.

#### §301.142 – License Plates and Placards for Persons with Disabilities (HA 3)

In response to a similar proposal from 2025 (HB 127), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

To implement the proposed changes, the Department will:

- Update procedures, manuals, Department website, and correspondence letters;
- Update Department system(s); and
- Train staff.

FY 2026 – MVB Systems Analysis Support

Associate Research/Data Analyst 107 hrs. @ \$26.03/hr. =\$2,785

Research/Data Analyst 27 hrs. @ \$27.87/hr. =\$752

Administrative Manager 14 hrs. @ \$35.10/hr. =\$491

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$26.03/hr. =\$1,041

Research/Data Analyst 10 hrs. @ \$27.87/hr. =\$279

Total Cost = **\$5,348**

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. 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 **\$29,757** in FY 2026 (283.40 hours x \$105 per hour).

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the OA-ITSD estimates as provided by DOR.

FUSION Impact

**DOR** notes:

Implementation: 10 hrs. @\$225/hr. = **\$2,250**

The fiscal impact estimated above is based on changes in the current Department's Motor Vehicle system environment. 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.

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

#### §301.558 – Trailer Dealers (HA 4)

In response to a similar proposal from 2025 (HCS for HB 775), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

#### Administrative Impact

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

- Create new procedures, training manuals, notices, and forms
- Update procedures, forms, and correspondence
- Update associated fee charts, and the Department website
- Update the Dealer Operating Manual
- Update the Missouri Titling Manual
- Send communications to contracted license offices and other contracted stakeholders
- Train internal and contract license office staff

#### FY 2026 – Motor Vehicle Bureau

Research/Data Analyst 60 hrs. @ \$27.00 per hr. = \$1,620

Administrative Manager 30 hrs. @ \$29.31 per hr. = \$879

Associate Research/Data Analyst 100 hrs. @ \$25.22 per hr. = \$2,522

#### FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 100 hrs. @ \$21.64 per hr. = \$2,164

Research/Data Analyst 50 hrs. @ \$27.00 per hr. = \$1,350

**Total Costs = \$8,535**

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. 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.



Revenue Impact

In FY 2023, there were 112,154 trailers titled. The department is unable to determine which trailer dealers would opt in to charging an administrative fee.

There could be an increase in monies received by the department due to the requirement provided in §301.558.3(1) which states, any dealer charging administrative fees must remit 10% of the collected fee to the Motor Vehicle Administration Technology Fund.

**Oversight** assumes there could be an increase in revenue to the Motor Vehicle Administration Technology Fund due to trailer dealers being able to charge an administrative fee on sales; therefore, Oversight will reflect a \$0 (no trailer dealers opt in to charge the administrative fee) to an “Unknown” amount of revenue (some or all trailer dealers opt in to charge the administrative fee).

In response to a similar proposal from 2025 (HCS for HB 775), officials from the **Office of Administration - Budget and Planning (B&P)** stated this section would now allow trailer dealers the ability to collect an administrative fee in connection with any sale or lease of a new or used trailer. Ten percent of this fee shall be remitted to the Motor Vehicle Administration Technology Fund for development of the motor vehicle/drivers' licensing integrated system, and once the system is functional three and one half percent of the fee shall be remitted to the fund for system maintenance. This expansion of the fee to trailer dealers will positively impact total state revenues. DOR may be able to provide more specific impacts on estimates.

§301.142 – Occupational Therapists/Physician’s Statements (HA 5)

In response to a similar proposal from 2025 (HCS for HB 775), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

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

- Update procedures, forms, and the Department web site
- Send communications to license offices and Missouri citizens

FY 2026 – Strategy & Communications Office

Associate Research/Data Analyst 40 hrs. @ \$26.03/hr. =\$1,041

Research/Data Analyst 50 hrs. @ \$27.87/hr. =\$1,394

Total = **\$2,435**

The Department anticipates that they will be able to absorb these costs and that there will be minimal impact. 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 DOR assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal from 2025 (HCS for HB 775), officials from the **Department of Health and Senior Services** assumed the proposal would 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.

§301.469 – Missouri Conservation Heritage Foundation Specialty Plates (HA 6)

In response to a similar proposal from 2025 (HCS for HB 775), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

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

- Update charts, procedures and the Department website
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716)
- Complete programming and user acceptance testing for identified systems

FY 2026 – Motor Vehicle Bureau

Associate Research/Data Analyst 80 hrs. @ \$26.03 per hr. = \$2,082

Research/Data Analyst 20 hrs. @ \$27.87 per hr. = \$557

Administrative Manager 10 hrs. @ \$30.25 per hr. = \$302

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 40 hrs. @ \$22.33 per hr. = \$893

**Total costs: \$3,834**

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

The fiscal impact estimated above is based on changes in the current Department's Motor Vehicle system environment.

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.

**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** notes OA-ITSD services will be required at a cost of **\$22,339** in FY 2025 (212.76 hours x \$105 per hour).

**Oversight** does not have any information to the contrary in regards to DOR's assumptions; therefore, Oversight will reflect DOR's OA-ITSD costs on the fiscal note.

In response to a similar proposal from 2025 (HCS for HB 775), officials from the **Missouri Department of Conservation** assumed the proposal would 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 this agency.

In response to a similar proposal from 2025 (HCS for HB 775), officials from the **Office of Administration - Budget and Planning (B&P)** stated this section adds language to allow for the \$25 payment for emblem use to be paid at the time of registration with the Department of Revenue. This clarification should have no fiscal impact beyond the timing of when the payment made be made.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Cost – DOR – OA-ITSD services</u> (§§301.020, 301.190, 307.350 & 307.380) p. 5	(\$70,873)	\$0	\$0
<u>Cost – DOR – OA-ITSD services</u> (§301.142) p. 7	(\$29,757)	\$0	\$0
<u>Cost – DOR – OA-ITSD services</u> (§301.469) p. 11	(\$22,339)	\$0	\$0
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$122,969)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>HIGHWAY FUND (0644)</b>			
<u>Loss – MHP – less inspections required</u> (§§301.020, 301.190, 307.350 & 307.380) p. 5-6	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)
<b>ESTIMATED NET EFFECT ON THE HIGHWAY FUND</b>	<b>(Unknown, less than <u>\$250,000</u>)</b>	<b>(Unknown, less than <u>\$250,000</u>)</b>	<b>(Unknown, less than <u>\$250,000</u>)</b>
<b>HIGHWAY PATROL INSPECTION FUND (0297)</b>			
<u>Loss – MHP – less inspections required</u> (§§301.020, 301.190, 307.350 & 307.380) p. 5-6	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)
<b>ESTIMATED NET EFFECT ON THE HIGHWAY PATROL INSPECTION FUND</b>	<b>(Unknown, less than <u>\$250,000</u>)</b>	<b>(Unknown, less than <u>\$250,000</u>)</b>	<b>(Unknown, less than <u>\$250,000</u>)</b>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND (0696)</b>			
<u>Revenue</u> – potential administrative fees charged by trailer dealers (§301.558) p. 9	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<b>ESTIMATED NET EFFECT ON THE MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND (0696)</b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>SCHOOL DISTRICTS</b>			
<u>Revenue</u> – penalty fees for expired temporary permits (§301.140.10) p. 3	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>

\*Oversight assumes the revenue could exceed \$250,000 due to the \$250 fine and number of vehicles with currently expired temporary permits

#### FISCAL IMPACT – Small Business

Small motor vehicle dealers could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to registration.

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  
Office of Administration - Budget and Planning  
Missouri Department of Conservation  
Department of Health and Senior Services  
Phelps County Sheriff  
Kansas City Police Department  
St. Louis County Police Department  
Office of the State Courts Administrator



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