

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0234H.02C
Bill No.: HCS for HB 40
Subject: Motor Vehicles; Licenses - Motor Vehicle
Type: Original
Date: April 13, 2025

Bill Summary: This proposal modifies provisions relating to titles for inoperable motor vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Currently, this statute states that scrap metal operators may obtain any inoperable vehicle, or constituent parts of an inoperable vehicle, ten or more model years old from the seller without an original, salvage, or junking certificate provided there is no vested security interest or lien on the vehicle. The proposed language updates this to either a period of twenty model years or more or ten model years if in the possession of an insurer pursuant to a total loss settlement or entity selling vehicles at insurance salvage auctions.

The Motor Vehicle Bureau assumes that inoperable vehicles or vehicle parts ten model years or older, and in the possession of an insurance company or entity selling vehicles at insurance salvage auctions would not require the attainment of the original certificate of ownership, salvage title, or junking certificate.

Administrative Impact

To implement the proposed changes, the Motor Vehicle Bureau will be required to:

- Update procedures, manuals, and correspondence letters;
- Amend administrative rules; and
- Train staff.

FY 2026 – Motor Vehicle Bureau

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

Lead Administrative Support Asst. 20 hrs. @ \$19.14/hr. = \$383

Administrative Manager 10 hrs. @ \$35.10/hr. = \$351

FY 2027 – Strategy and Communications Office

Associate Research/Data Analyst 20 hrs. @ \$26.03/hr. = \$521

Total Cost = \$2,296

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 (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 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.

Officials from the **Missouri Highway Patrol** and the **Missouri Department of Transportation** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small scrap metal operators could be impacted as a result of this proposal.

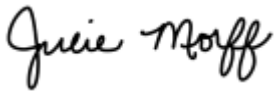
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Director
April 13, 2025



Jessica Harris
Assistant Director
April 13, 2025