

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1179H.01I
Bill No.: HB 246
Subject: Motor Vehicles; Licenses - Motor Vehicle; Department of Revenue
Type: Original
Date: January 23, 2025

Bill Summary: This proposal modifies the motor vehicle biennial registration option so that model year is not taken into consideration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$186,363)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$186,363)	\$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

§301.147 – Motor Vehicle Registration Provisions

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, forms, and public correspondence letters.
- 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.
- Complete programming and user acceptance testing.
- Update the Missouri Transportation Accounting System (MTAS) tables.
- Train internal and contract license office staff.

FY 2026 – Motor Vehicle Bureau

Lead Administrative Support Assistant 60 hrs. @ \$19.13 per hr. = \$1,148

Associate Research/Data Analyst 100 hrs. @ \$22.33 per hr. = \$2,233

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

Administrative Manager 30 hrs. @ \$30.25 per hr. = \$908

FY 2026 – Systems Analysis and Support

Associate Research/Data Analyst 506 hrs. @ \$22.33/hr. = \$11,299

Research/Data Analyst 127 hrs. @ \$27.87/hr. = \$3,539

Administrative Manager 64 hrs. @ \$30.25/hr. = \$1,936

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 100 hrs. @ \$22.33/hr. = \$2,233

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

Total Costs = \$26,362

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 **\$141,363** in FY 2026 (1,346.31 hours x \$105 per hour).

FUSION Impact

Implementation Consultant \$225/hour x 200 hrs = **\$45,000**

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

DOR notes, the fiscal impact estimated above is based on changes in the current Department's Motor Vehicle and Driver Licensing 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.

Revenue Impact

There could be some variance in revenue the first fiscal year as all vehicle registrants will be eligible for biennial registration, but the department has determined this to be minimal and will stabilize in the long term.

Oversight does not have information to the contrary and therefore, Oversight will not reflect any increase in revenue as indicated by DOR.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Cost – DOR – OA-ITSD costs</u>	(\$141,363)	\$0	\$0
<u>Cost – DOR – Fusion implementation consultant</u>	(\$45,000)	\$0	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$186,363)	\$0	\$0

<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

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

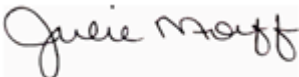
FISCAL DESCRIPTION

This bill repeals the provision of law which requires that vehicles manufactured as an even-numbered model year must be renewed each even-numbered calendar year and that vehicles manufactured as an odd-numbered model year must be renewed each odd-numbered calendar year.

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



Julie Morff
Director
January 23, 2025



Jessica Harris
Assistant Director
January 23, 2025