

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1349H.01I  
Bill No.: HB 206  
Subject: Motor Vehicles; Courts; Fees; Licenses - Driver's  
Type: Original  
Date: March 25, 2025

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Bill Summary: This proposal modifies provisions relating to driver's licenses.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$121,918)	(\$229,259)	(\$232,896)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$121,918)</b>	<b>(\$229,259)</b>	<b>(\$232,896)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Highway Fund (0644)	\$106,643	\$213,285	\$231,285
Various State Funds*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Could exceed \$106,643</b>	<b>Could exceed \$213,285</b>	<b>Could exceed \$231,285</b>

\*Oversight assumes the increase in fine revenue/court costs could exceed \$250,000.

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>
General Revenue	3 FTE	3 FTE	3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>3 FTE</b>	<b>3 FTE</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>Could exceed \$35,548</b>	<b>Could exceed \$71,095</b>	<b>Could exceed \$71,095</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§§302.309 & 302.341 – Driver’s Licenses Provisions**

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

#### **Administrative Impact**

To implement the proposed legislation, the Department will:

- Program and test changes to FUSION
- Develop and test new correspondence
- Update reports, forms, and the Department website
- Training for employees

#### **FY 2026 – Driver License Bureau (testing of forms and website updates)**

Research/Data Analyst 160 hrs. @ \$30.19 per hr. = \$4,830

Research/Data Assistant 160 hrs. @ \$20.25 per hr. = \$3,240

Administrative Manager 40 hrs. @ \$32.77 per hr. = \$1,311

#### **FY 2026 – Strategy and Communications Office (forms and website updates)**

Associate Research/Data Analyst 40 hrs. @ \$24.19 per hr. = \$968

Projected Implementation Cost = **\$9,903**

**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 Consultant 100 hrs. @ \$225 per hr. = **\$22,500**

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the FUSION impact as provided by DOR.

**DOR** notes currently, the department processes Instate Failure to Appear (FACT) suspensions from state courts for major and minor traffic violations, and for county and municipal courts for major violations. The department is allowed to process suspensions on minor violations if the following occur:

- The violation occurred in a Commercial Motor Vehicle (CMV),
- The driver is a Commercial Driver License holder (CDL),
- The violation occurred in a school or construction zone, and/or
- The driver is involved in an accident or accident with injury.

Prior to the passage of Senate Bill 5 in 2015, the department was able to process FACT suspensions from all courts for both major and minor traffic violations. Therefore, the following statistics are available showing the decreased volume of suspensions processed by the law change and the Municipal Court practices revised by the Missouri Supreme Court ruling.

FY 2015:	119,141 FACT suspensions processed by the department 77,281 FACT compliances processed by the department
FY 2016:	60,460 FACT suspensions processed by the department 44,651 FACT compliances processed by the department
FY 2017:	41,405 FACT suspensions processed by the department 28,544 FACT compliances processed by the department
FY 2018:	38,249 FACT suspensions processed by the department 27,975 FACT compliances processed by the department
FY 2019:	39,108 FACT suspensions processed by the department 25,562 FACT compliances processed by the department
FY 2020:	27,640 FACT suspensions processed by the department 29,692 FACT compliances processed by the department
FY 2021:	16,165 FACT suspensions processed by the department 39,176 FACT compliances processed by the department
FY 2022:	18,580 FACT suspensions processed by the department 20,113 FACT compliances processed by the department
FY 2023:	14,893 FACT suspensions processed by the department 25,126 FACT compliances processed by the department
FY 2024:	11,879 FACT suspensions processed by the department 9,837 FACT compliances processed by the department

The suspensions processed decreased from:  
FY 2015 to FY 2024 at 90% ( $119,141 - 11,879 = 107,262$ ,  $107,262 / 119,141 = 90\%$ )

The compliances processed decreased from:  
FY 2015 to FY 2024 at 87% ( $77,281 - 9,837 = 67,444$ ,  $67,444 / 77,281 = 87\%$ )

The Department anticipates that suspensions will increase by 90% and compliances will increase by 87%.

FY 2025:      22,570 FACT suspensions ( $11,879 + 10,691$  (90% increase) = 22,570)  
                  18,395 FACT compliances ( $9,837 + 8,558$  (87% increase) = 18,395)

### FTE Requirements

#### Document Processing

10,691	Additional FACT suspensions received annually
<u>/ 252</u>	Workdays per year
42	Additional suspension notices received daily
<u>/ 304</u>	# of documents an ACSR can process daily
0.14	.14 FTE needed to process additional suspensions

8,558	Additional FACT compliances received annually
<u>/ 252</u>	Workdays per year
34	Additional compliance notices received daily
<u>/ 536</u>	# of documents an ACSR can process daily
0.06	.06 FTE needed to process additional suspension

The department anticipates that the processing of FACT suspensions and compliances can be absorbed by current staffing. If the increase is more significant than anticipated, additional FTE will be requested through the appropriation 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.

#### Telephone Inquiries

**DOR** notes, a telephone operator is expected to process 60 telephone inquiries daily.

10,691	Additional FACT Suspension received annually
<u>x 90%</u>	Percent which will generate telephone inquiries
9,622	
32,000	Current call volume for reinstatement requirements
<u>+ 9,622</u>	Additional calls generated
41,622	
41,622	
<u>/ 252</u>	Workdays per year
165	Telephone inquiries received per day
<u>/ 60</u>	Telephone inquiries processed per day
<b>2.75</b>	<b>3 FTE needed to answer telephone inquiries</b>

**Oversight** does not have information to the contrary and therefore, Oversight will reflect the FTE (3) and mailing costs as provided by DOR.

#### Returned Mail

**DOR** notes, prior statistics show approximately 33% of suspension notices issued will be returned to DOR undeliverable by the postal authorities due to no current address. This will require data entry by a processing technician and preparation of documents for document imaging post data entry.

10,691	Additional FACT Suspension received annually
<u>X 33%</u>	Percent of notices returned by post office
3,528	Additional returned mail received annually
<u>/ 252</u>	Workdays per year
14	Returned mail received per day
<u>/ 472</u>	Documents processed per day
<b>0.03</b>	<b>0.04 FTE needed to process returned mail</b>

The department anticipates that the processing of returned mail can be absorbed by current staffing. If the increase is more significant than anticipated, additional FTE will be requested through the appropriation 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.

Increased Postage, Envelope, & Printing Costs

**DOR notes:**

First Class Mail Costs:

Suspension notices = 10,691 per year

Reinstatement notices = 8,558 per year

Projected increase of mail = 19,249 per year

FY 2026:  $19,249/12 \text{ mos.} = 1,604 \times 6 \text{ mo.} = 9,624$  pieces of mail in the first year after bill passage x \$0.55 = \$5,293 first class postage cost

FY 2027: = \$10,587 first class postage cost

FY 2028: = \$10,587 first class postage cost

Envelope Costs:

Total envelopes = 19,249 per year

FY 2026:  $19,249/12 \text{ mos.} = 1,604 \times 6 \text{ mos.} = 9,624$  envelopes in the first year after bill passage x \$0.07 = \$674 envelope cost

FY 2027: = \$1,347 envelope cost

FY 2028: = \$1,347 envelope cost

Letter printing cost:

19,249 letters per year

FY 2026:  $19,249/12 \text{ mos.} = 1,604 \times 6 \text{ mos.} = 9,624$  pieces of mail in the first year after bill passage x \$0.096 per 1,000 = \$0.96 ( $9,624/1,000 = 9.62 \times \$0.10$  printing cost)

FY 2027: = \$1.92 printing cost

FY 2028: = \$1.92 printing cost

Total Postage, Envelope, Printing Costs:

FY 2026: \$5,293 (1st class) + \$674 (envelopes) + \$0.96 (printing) = **\$5,967.96**

FY 2027: \$10,587 (1st class) + \$1,347 (envelopes) + \$1.92 (printing) = **\$11,935.92**

FY 2028: \$10,587 (1st class) + \$1,347 (envelopes) + \$1.92 (printing) = **\$11,935.92**

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the postage, envelopes and printing 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.

*Revenue Impact*

**DOR** notes, based on FY 2022 statistics, the department estimates that 63% of those individuals who are suspended will submit the fee required for reinstatement. The department anticipates the same rate for this program. This will result in reinstatement fees collected for approximately 14,219 actions annually based off FY 2025 projected numbers.

The reinstatement fee for an Instate Failure to Appear Suspension is \$20.

DOR also projects an increase in reinstatement fees collected annually of **\$284,380**.

Missouri Constitution, Article IV, Section 30(b) requires funds collected by the department be remitted to the State Highway Fund 75%, to the cities 15%, and to the counties 10%.

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

Officials from the **Office of the State Courts Administrator (OSCA)** assume there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

**Oversight** assumes there will be an increase in court revenue due to an increase in compliance in paying fines and court costs as noted by DOR.

A portion of the fine goes to local schools as fine revenue and the remaining goes to various state and local funds for court costs. Oversight will reflect a potential impact to the state and local political subdivisions of "\$0 or Unknown" in additional fine revenue and court cost revenue per year from this charge. Oversight assumes the increase in revenue could exceed \$250,000.

Additional fine revenue received by local school districts may count as a deduction in the following year in determining their state aid apportionment, if the district is not a 'hold harmless' district. For simplicity, Oversight will only reflect the increase in fine revenue as a positive impact to local political subdivisions.

Below are examples of some of the state and local funds to which court costs are distributed.



Fee/Fund Name	Fee Amount
Basic Civil Legal Services Fund	\$8.00
Clerk Fee	\$15.00 (\$12 State/\$3 County)
County Fee	\$25.00
State Court Automation Fund	\$7.00
Crime Victims' Compensation Fund	\$7.50
DNA Profiling Analysis Fund	\$15.00
Peace Officer Standards and Training (POST) Fund	\$1.00
Sheriff's Retirement Fund	\$3.00
Motorcycle Safety Trust Fund	\$1.00
Brain Injury Fund	\$2.00
Independent Living Center Fund	\$1.00
Sheriff's Fee	\$10.00 (County)
Prosecuting Attorney and Circuit Attorney Training Fund	\$4.00
Prosecuting Attorney Training Fund	\$1.00 (\$0.50 State/\$0.50 County)
Spinal Cord Injury Fund	\$2.00

Officials from the **Missouri Department of Transportation, Missouri Highway Patrol and Office of the State Public Defender** 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.

In response to a previous version, officials from the **Missouri Office of Prosecution 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 for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, counties and county circuit clerks 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (6 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Costs – DOR (§§302.309 &amp; 302.341) p. 6</u>			
Personnel Service	(\$53,040)	(\$129,842)	(\$132,439)
Fringe Benefits	(\$40,999)	(\$99,417)	(\$100,457)
Expense & Equipment	(\$5,379)	\$0	\$0
<u>Total Costs - DOR</u>	(\$99,418)	(\$229,259)	(\$232,896)
FTE Change - DOR	3 FTE	3 FTE	3 FTE
<u>Cost – DOR – FUSION impact (§§302.309 &amp; 302.341) p. 3</u>	(\$22,500)	\$0	\$0
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$121,918)</u></b>	<b><u>(\$229,259)</u></b>	<b><u>(\$232,896)</u></b>
Estimated Net FTE Change to the General Revenue Fund	3 FTE	3 FTE	3 FTE
<b>HIGHWAY FUND (0644)</b>			
<u>Revenue – increase due to increase in reinstatement fees (§§302.309 &amp; 302.341) p. 8</u>	<u>\$106,643</u>	<u>\$213,285</u>	<u>\$213,285</u>
<b>ESTIMATED NET EFFECT ON THE HIGHWAY FUND (0644)</b>	<b><u>\$106,643</u></b>	<b><u>\$213,285</u></b>	<b><u>\$231,285</u></b>
<b>VARIOUS STATE FUNDS*</b>			
<u>Revenue – potential increase due to increased compliance (§302.341) p. 8</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

\*Oversight assumes the increase in fine revenue/courts costs could exceed \$250,000.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (6 Mo.)	FY 2027	FY 2028
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue</u> (Cities 15%) – increase due to increase in reinstatement fees (§§302.309 & 302.341) p. 8	\$21,329	\$42,657	\$42,657
<u>Revenue</u> (Counties 10%) – increase due to increase in reinstatement fees (§§302.309 & 302.341) p. 8	\$14,219	\$28,438	\$28,438
<u>Revenue</u> – School Districts - potential increase in fines for violations of §302.341	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>Could exceed <u>\$35,548</u></b>	<b>Could exceed <u>\$71,095</u></b>	<b>Could exceed <u>\$71,095</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act modifies provisions relating to driver's licenses.

## LIMITED DRIVING PRIVILEGES (Section 302.309)

This act adds attending a place of worship and traveling to and from certain essential businesses to the limited driving privileges that may be granted to a driver whose license has been suspended or revoked under the driver's license points system. (Section 302.309)

These provisions are identical to provisions in HB 206 (2025), and similar to provisions in HB 1794 (2024) and provisions in HB 252 (2023).

## LICENSE SUSPENSIONS FOR TRAFFIC OFFENSES (Section 302.341)

Currently, if a Missouri resident charged with a moving traffic violation, other than a minor traffic violation as defined by law, fails to resolve the charges prior to trial as provided by law

and fails to appear in court, or without good cause fails to pay fines and court costs or adhere to an approved installment plan, the court shall notify the person by mail that the court will order the Director of the Department of Revenue to suspend their driver's license if the charges are not resolved within 30 days.

Thereafter, if the person does not timely resolve the charges, the court shall notify the Department of Revenue and the Department shall suspend the driver's license immediately and notify the driver. The suspension shall remain in effect as provided by law.

This act specifies that the court may, rather than shall, order the Department of Revenue to suspend the defendant's license. The act also repeals an obsolete reference to a former bureau within the Department of Revenue. (Section 302.341.1)

Furthermore, this act permits the same suspension process for minor traffic violations, except that it requires that the defendant have failed to appear in court twice rather than once, and provides that the driver's license shall be suspended 33 days after the Department mails notice to the driver rather than immediately upon the Department receiving notice from the court. (Section 302.341.3)

This bill has an effective date of January 1, 2026.

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 the State Public Defender  
Office of the State Courts Administrator  
Missouri Office of Prosecution Services



Julie Morff  
Director  
March 25, 2025



Jessica Harris  
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March 25, 2025