

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1887H.02C
Bill No.: HCS for HB 745
Subject: Motor Vehicles
Type: Original
Date: March 19, 2025

Bill Summary: This proposal enacts provisions relating to towing of commercial vehicles.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	(\$534,989)	(\$652,537)	(\$663,297)
Total Estimated Net Effect on General Revenue	(\$534,989)	(\$652,537)	(\$663,297)

*Costs for 7.5 FTE for MoDOT to implement the provisions in this proposal.

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
General Revenue	7.5 FTE	7.5 FTE	7.5 FTE
Total Estimated Net Effect on FTE	7.5 FTE	7.5 FTE	7.5 FTE

☒ 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

§304.162 – Towing of Vehicles

Officials from the **Missouri Department of Transportation (MoDOT)** assume the following regarding this proposal:

This bill mandates the Missouri Department of Transportation to promulgate rules regulating the towing of commercial vehicles. This bill requires MoDOT to establish a process by which to receive, investigate and adjudicate complaints against towing companies. It is unclear if the determinations will be considered a contested case and if the determinations under this bill will be appealable to the Administrative Hearing Commission or Circuit Court. Should this bill become law, the responsibility for writing and promulgating rules; coordinating an advisory committee; and facilitating receipt, investigation and adjudication of complaints would be assigned to MoDOT. MoDOT assumes 7.5 FTE will be needed to implement this proposal.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MoDOT.

Officials from the **Missouri Highway Patrol** and **Department of Commerce and Insurance** 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.

Officials from the **Phelps County Sheriff, Branson Police Department, Kansas City 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.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and

regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Cost – MoDOT</u>			
Personal Service	(\$313,806)	(\$384,098)	(\$391,780)
Fringe Benefits	(\$221,183)	(\$268,439)	(\$271,517)
<u>Total Costs – MoDOT</u>	<u>(\$534,989)</u>	<u>(\$652,537)</u>	<u>(\$663,297)</u>
FTE Change – MoDOT	7.5 FTE	7.5 FTE	7.5 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$534,989)</u>	<u>(\$652,537)</u>	<u>(\$663,297)</u>
Estimated Net FTE Change to the General Revenue Fund	7.5 FTE	7.5 FTE	7.5 FTE

<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 towing companies could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This bill requires the Department of Transportation to establish procedures to address certain nonconsensual towing practices related to the removal of commercial vehicles from roadways, a complaint filing and adjudication process, and provisions for permanently or temporarily prohibiting towing companies from performing nonconsensual tows if they violate the provisions of the bill.

The department may establish a "Towing and Recovery Review Board" to assist in implementing the provisions of the bill, with membership and functions as specified. The bill also specifies that the Department or the Board can decide if a vehicle is released when the fees are disputed, prohibits per pound charges for nonconsensual tows, provides that storage charges cease accruing upon the date a complaint is filed with the Department, and prohibits nonconsensual tows from creating liens on commercial vehicles or cargo.

If an owner or operator of a commercial vehicle requests the use of a specific towing company, law enforcement agencies must honor that request, except under certain conditions. Towing companies must provide reasonable access to commercial vehicles that are the subject of a nonconsensual tow, for purposes specified in the bill. A towing company performing a nonconsensual tow when prohibited from doing so by the Department will be subject to a civil penalty of \$25,000 per violation.

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

Missouri Department of Transportation
Missouri Highway Patrol
Department of Commerce and Insurance
Office of the Secretary of State
Joint Committee on Administrative Rules
Phelps County Sheriff
Kansas City Police Department
St. Louis County Police Department
Branson Police Department



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March 19, 2025



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