

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1900H.06C
Bill No.: HCS for HB 775
Subject: Department of Revenue; Licenses - Motor Vehicle; Motor Vehicles
Type: Original
Date: March 14, 2025

Bill Summary: This proposal modifies provisions relating to motor vehicle licensing.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$387,845)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$387,845)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Highway Fund (0644)	\$0	\$3,441,887	\$3,441,887
Missouri Air Emission Reduction Fund (1267)	\$0	(\$40,618)	\$0
Motor Vehicle Administration Technology Fund	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Motor Vehicle Commission Fund (0588)	\$0	\$214,405	\$214,405
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to Unknown	Could exceed \$3,615,674	Could exceed \$3,656,292

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	\$1,147,296	\$1,147,296

FISCAL ANALYSIS

ASSUMPTION

§§301.055, 301.070 & 301.140 – Flat Fee for Motor Vehicle Registrations

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

Motor Vehicle Bureau

The proposed bill will change current registration fees to a flat fee of \$25 for non-commercial motor vehicles and \$10 for motorcycles, motor-tricycles, and autocycles.

The bill also removes the horsepower language when trying to determine the applicable fees for the transfer of registration.

Administrative Impact

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

- Create/update procedures, training manuals, notices, and forms
- 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 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 160 hrs. @ \$26.03/hr. = \$4,165

Administrative Manager 40 hrs. @ \$35.10/hr. = \$1,404

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

FY 2027 – Strategy and Communications Office

Associate Research/Data Analyst 100 hrs. @ \$26.03/hr. = \$2,603

Total Cost = **\$9,844**

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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Revenue Impact

Currently there are 3,722,021 motor vehicles other than commercial motor vehicles registered. Using the current fee chart the total amount of revenue collected for registrations is \$87,270,501.

Horsepower	Fee	Number of Active Registrations	Total Collected
12HP – 23HP or Electric or LSV	\$21.00	1,958,862	\$41,136,102
24HP – 35HP	\$24.00	1,358,532	\$32,604,768
36HP – 47HP	\$33.00	235,426	\$7,769,058
48HP – 59HP	\$39.00	123,746	\$4,826,094
60HP – 71HP	\$45.00	3,383	\$152,235
72HP+	\$51.00	756	\$38,556
Total		3,722,021	\$87,270,501

Twenty-five cents of the proposed \$25 is still to be credited to the Railroad Grade Crossing Safety Account prescribed in Section 389.612. The railroad crossing fee will not see change as DOR will be processing the same number of transactions and there is no increase in the fee.

Calculations based off current number of registrations multiplied by the proposed flat fee of \$24.75:

$$3,722,021 \times \$24.75 = \$92,119,797$$

DOR notes there are 117,062 motorcycles and motor-tricycles registered. Using the current fee chart the total amount of revenue collected for registrations is \$1,001,840.

	Number of Active Registrations	Fee	Total Collected
Motorcycle	112,520	\$8.50	\$956,420
Motor-tricycle	4,542	\$10.00	\$45,420
Total	117,062		\$1,001,840

Twenty-five cents of the proposed \$10 is still to be credited to the Railroad Grade Crossing Safety Account prescribed in Section 389.612. The railroad crossing fee will not see change as they will be processing the same number of transactions and there is no increase in the fee.

Calculation of 117,062 motorcycles and motor-tricycles using the proposed flat fee of \$9.75:

$$117,062 \times \$9.75 = \$1,141,355$$

Difference of total under current system vs. projected language:

KB:LR:OD

$\$92,119,797 + (\$87,270,501) + \$1,141,355 + (\$1,001,840) = \$4,988,811$

Projection of **\$4,988,811** increase to highway and local (MoDOT) revenue annually.

Oversight will reflect an increase in revenue from motor vehicle registrations of \$4,849,296 (\$92,119,797 - \$87,270,501) for motor vehicle registrations and an increase in revenue of \$139,515 for motorcycle/motor-tricycle registrations to the Highway Fund (75%), Cities (15%) and Counties (10%). Oversight will reflect the increase in FY 2027 and FY 2028 as DOR assumes their new integrated motor vehicle/driver license system will not be implemented until FY 2027.

FUSION Impact

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

The costs associated with these legislative changes may be outside of the current contract and identified programming work for DOR's incoming integrated system. As such, the department has included the potential costs associated with making the changes to the integrated system by the department's current vendor.

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

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this section would eliminate the annual registration fee schedule for motor vehicles (other than commercial motor vehicles) and instead sets the annual fee for motor vehicles at \$25 and for motorcycles, motor-tricycles, and autocycles at \$10, both of which shall include the railroad crossing safety fee which is currently set at \$0.25 in Section 389.612. This adjustment will impact revenue collected from annual registrations. DOR may be able to provide more specific estimates.

§301.110 – Alternative Fuel Decal Fee Collections

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

DOR notes the proposed bill will have customers pay the alternative fuel vehicle fee at the time of registration issuance and renewal. This change will allow annual and biennial special fuel receipts. This authorizes the director to provide a receipt showing alternative fuel fees have been paid in place of a decal.

Administrative Impact

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

- Create/update procedures, training manuals, notices, and forms
- 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

Associate Research/Data Analyst 60 hrs. @ \$26.03/hr. = \$1,562

Administrative Manager 20 hrs. @ \$35.10/hr. = \$702

Research/Data Analyst 30 hrs. @ \$27.87/hr = \$836

FY 2026 – Strategy and Communications Office

Associate Research/Data Analyst 60 hrs. @ \$26.03/hr. = \$1,562

Total Cost = **\$4,662**

The proposed legislation may cause an increase in telephone inquiries and email correspondence received by the Department. If the volume is more significant than anticipated, additional FTE's will be requested through the appropriation 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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

FUSION Impact

DOR notes:

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

The costs associated with these legislative changes may be outside of the current contract and identified programming work for their incoming integrated system. As such, the department has included the potential costs associated with making the changes to the integrated system by the department's current vendor.

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

§301.130 – License Plate Covers

KB:LR:OD

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

§301.142 – Disabled Placards

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

The proposal gives the authority to automatically renew current valid disabled placards for a duration of eight years, or the duration that correlates with the person's current physician statement expiration date, until all permanent placards are on an eight-year renewal cycle.

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
- Send communications to contracted license offices and other contracted stakeholders
- Train internal and contract license office staff

FY 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 100 hrs. @ \$26.03/hr. = \$2,603

Administrative Manager 20 hrs. @ \$35.10/hr. = \$702

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

FY 2027 – Strategy and Communications Office

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

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

Total Cost = \$7,134

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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

FUSION Impact

DOR notes:

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

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

§301.142 – Occupational Therapists/Physician’s Statements

Officials from the **Department of Revenue (DOR)** assume 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.

Officials from the **Department of Health and Senior Services** 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.

§301.448 – Military Specialty Plates

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 charts, procedures and the Department website
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716 and DOR-4601)

FY 2026 – Motor Vehicle Bureau

Associate Research/Data Analyst 60 hrs. @ \$26.03 per hr. = \$1,562

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

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

FY 2026– Strategy and Communications Office

Associate Research/Data Analyst 60 hrs. @ \$26.03 per hr. = \$1,562

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

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

Overall Total = **\$4,940**

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.

Officials from the **Missouri Veterans Commission** 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.

§301.469 – Missouri Conservation Heritage Foundation Specialty Plates

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 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.

Officials from the **Missouri Department of Conservation** 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 for this agency.

Officials from the **Office of Administration - Budget and Planning (B&P)** state 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.

§301.558 – Trailer Dealers

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:

- 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).

Officials from the **Office of Administration - Budget and Planning (B&P)** state 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.

§301.560 – Dealer Plate Fees and Applications

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

DOR notes the proposed changes would take the fees collected for dealer plates and deposit the money in the Motor Vehicle Commission Fund.

The bill provides the option to issue tabs rather than new plates when renewing a dealer license. Fees collected from the issuance of dealer plates would be deposited in the Motor Vehicle Commission Fund.

Language requires every new application for a new motor vehicle franchise dealer to include a certification that the applicant has a bona fide established place of business. Such application shall include an annual certification that the applicant has a bona fide place of business for the first three years and only for every other year thereafter.

Administrative Impact

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

- Create /update procedures, training manuals, notices, and forms

- 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 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 260 hrs. @ \$26.03 per hr. = \$ 6,768

Administrative Manager 80 hrs. @ \$35.10 per hr. = \$ 2,808

Research/Data Analyst 150 hrs. @ \$27.87 per hr. = \$ 4,181

FY 2027 – Strategy and Communications Office

Associate Research/Data Analyst 240 hrs. @ \$26.03 per hr. = \$6,247

Research/Data Analyst 150 hrs. @ \$27.87 per hr. = \$4,181

Total Costs = **\$24,184**

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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

FUSION Impact

DOR notes:

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

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

Revenue Impact

Past renewals:

In calendar year 2022 2,479 dealers renewed ordering a total of 12,296 dealer plates.

Master plates 2,479 x \$50 = \$123,950

Additional plates 9,817x \$10.50 = \$103,079

In calendar year 2023 4,329 dealers renewed ordering a total of 43,154 dealer plates.

Master plates 4,329 x \$50 = \$216,450

Additional plates $38,825 \times \$10.50 = \$407,663$

In calendar year 2024 4,913 dealers renewed ordering a total of 14,637 dealer plates.

Master plates $4,913 \times \$50 = \$245,650$

Additional plates $9,724 \times \$10.50 = \$102,102$

Annual estimated revenue under current system:

Master plates $3,907 \times \$50 = \$195,350$

Additional plates $19,455 \times \$10.50 = \$204,278$

TOTAL: $23,362 = \$399,628$

Annual estimated revenue under proposed language:

First tab $3,907 \times \$25 = \$97,675$

Additional tabs $19,455 \times \$6 = \$116,730$

TOTAL $23,362 = \$214,405$

NOTE: Currently, registration fees are collected on behalf of MoDOT and deposited into the Highway and local funds. The proposed language would move the deposit of these funds to the Motor Vehicle Commission (MVC) Fund headed by DOR. Therefore, should the proposed language go into effect, the Department would receive an annual revenue increase of \$214,405 to the MVC Fund. However, this would also result in a projected loss to MoDOT of \$399,628 annually.

It is important to note that this proposed language will not go into effect until FY 2027.

Oversight does not have information to the contrary and therefore, Oversight will reflect an increase in revenue of \$214,405 to the Motor Vehicle Commission Fund (0588) and a decrease in revenue of \$399,628 to the Highway Fund (75%), Cities (15%) and Counties (10%).

Oversight notes there was a balance of \$918,039 in the Motor Vehicle Commission Fund (0588) as of January 31, 2025.

Officials from the **Office of Administration - Budget and Planning (B&P)** state this section would exempt the fees collected on dealer plates from being deposited into the Motor Vehicle Commission Fund and instead provides the option to issue tabs for a fee of \$25 for the first tab and \$6 for each additional tab rather than new plates when renewing a dealer license to be deposited into the Motor Vehicle Commission Fund. DOR may be able to provide more specific impacts on potential impacts on revenues.

§301.570 – Motor Vehicle Dealers

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

KB:LR:OD

DOR notes this removes the minimum requirement of six sales in a calendar year and increases the minimum sales to eight per calendar year to require a dealer license.

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 the Department website
- Update the Dealer Operating Manual

FY 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 30 hrs. @ \$26.03 per hr. = \$781

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

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

FY 2027 – Strategy and Communications Office

Research/Data Analyst 30 hrs. @ \$27.87 per hr. = \$836

Total Costs = **\$2,525**

The Department could see a decrease in licensed dealers due to the increased sales requirement. However, DOR is unable to accurately forecast the impact of the proposed regulatory changes.

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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

FUSION Impact

DOR notes:

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

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

§§301.3181 & 301.3182 - Specialty License Plate for Veterans of Military Operations in Afghanistan and Iraq

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 charts, procedures and the Department web site
- Update the Application for Missouri Personalized and Special License Plate (DOR-1716 and DOR-4601)
- Complete programming and user acceptance testing for identified systems

FY 2026 – Motor Vehicle Bureau

Associate Research/Data Analyst 53 hrs. @ \$22.33 per hr. = \$1,183

Research/Data Analyst 13 hrs. @ \$27.87 per hr. = \$362

Administrative Manager 7 hrs. @ \$30.25 per hr. = \$212

FY 2026– Strategy and Communications Office

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

Total = **\$2,650**

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.

DOR notes OA-ITSD services will be required at a cost of **\$14,506** in FY 2025 (138.15 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 previous version, officials from the **Missouri Department of Transportation** deferred to DOR for the potential fiscal impact of this proposal.

Officials from the **Missouri Veterans Commission** 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.

Officials from the **Office of Administration - Budget and Planning (B&P)** state these sections would create a new Afghanistan and Iraq Veteran vehicle license plate. Eligible veterans may apply for the plate and pay a \$15 fee in addition to the regular registration fees. These additional revenues would be deposited into General Revenue would positively impact total state revenues. DOR may be able to provide estimated impacts from this new fee.

According to a report provided by the Department of Revenue, **Oversight** notes there are currently 211 different types of specialty license plate designs available in Missouri. From these 211 specialty license plates, there were 78,781 registrations as of January 21, 2025:

0 Registrations	Less than 100 Registrations	Less than 1,000 Registrations	More than 1,000 Registrations
48	89	56	18

For most designs, there is a \$15 initial fee to apply for each specialty license plate and a \$15 annual renewal fee. However, several of the military/veteran specialty plates do not require a fee.

§307.350 – Motor Vehicle Safety Inspections

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

DOR notes the proposal removes the language requiring that vehicles manufactured in an even year shall be renewed each even number calendar year and any vehicle manufactured in an odd year shall be renewed each odd number calendar year.

The removal of this language modifies the motor vehicle biennial registration option so that all motor vehicles, regardless of model year, have a two-year registration option.

Administrative Impact

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

- Create/update procedures, training manuals, notices, and forms
- 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 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 200 hrs. @ \$26.03 per hr. = \$5,206

Administrative Manager 60 hrs. @ \$35.10 per hr. = \$2,106

Research/Data Analyst 120 hrs. @ \$27.87 per hr. = \$3,344

FY 2027 – Strategy and Communications Office

Associate Research/Data Analyst 200 hrs. @ \$26.03 per hr. = \$5,206

Research/Data Analyst 100 hrs. @ \$27.87 per hr. = \$2,787

Total Costs = **\$18,649**

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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

FUSION Impact

DOR notes:

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

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

Revenue Impact

There could be some variance in revenue the first fiscal year, but the department has determined this to be minimal and will average out.

Oversight does not have information to the contrary and therefore, Oversight will not reflect a fiscal impact for §307.350.

§§301.147 & 643.315 – Motor Vehicle Emissions Inspections & Even/Odd Registrations Periods

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

DOR notes the proposal removes the even-even odd-odd rule for emissions inspections and requires an emissions inspection for all registration issuance and renewals.

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 2027 – Motor Vehicle Bureau

Associate Research/Data Analyst 50 hrs. @ \$26.03 per hr. = \$1,301

Administrative Manager 30 hrs. @ \$35.10 per hr. = \$1,053

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

FY 2027 – Strategy and Communications Office

Associate Research/Data Analyst 100 hrs. @ \$26.03 per hr. = \$2,603

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

Total Costs = **\$8,023**

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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

FUSION Impact

DOR notes:

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

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

License Office Bureau

Administrative Impact

For the sections above, the License Office Bureau estimates their own separate administrative impact to:

- Update procedures
- Update training information
- Provide training to license office (LO) staff
- LO outreach in License Office News (LON) articles

FY 2027 License Office Bureau

Staff Development Manager 40 hrs. @ \$22.49/hr. =\$900

Administrative Manager 20 hrs. @ 36.06/hr. =\$721

Total = **\$1,621**

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. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

FUSION Impact

DOR notes:

Implementation Consultant \$225/hour x 160hrs = **\$36,000**

Section B - Effective Date upon Implementation of Integrated

This allows all sections of the bill to be implemented with the new FUSION system.

Officials from the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

At Section 643.315.1 the bill would remove the requirement for even numbered model year vehicles to get an emission inspection in even years, and vice versa for odd model year vehicles. State regulation 10 CSR 10-5.381 includes the requirement that even numbered model year vehicles be tested in even calendar years and odd numbered model year vehicles be tested in odd calendar years.

Therefore, this bill would require the department to amend the state regulation. The team member time needed to develop the rulemaking is estimated at 300 staff hours for an Environmental Program Analyst position. This would be a one-time cost to MDNR of \$8,332.

KB:LR:OD

The department anticipates being able to absorb these costs. However, until the FY2 2026 budget is final, the department cannot identify specific funding sources.

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

DNR notes at Section 643.315.1 the bill would remove the requirement for even numbered model year vehicles to get an emission inspection in even years, and vice versa for odd model year vehicles. As such, any vehicle registration transfers (used vehicle sales) that occur in a year that does not match the odd/even characteristic of the model year of the vehicle, would get two years between the initial inspection and the first renewal inspection, instead of only one year. Therefore, there would be fewer vehicles tested in the second year after this bill passes. However, the inspections would catch back up to normal in the third and subsequent years after the bill passes.

Based on a query of registration data and emission testing data in FY 2023 and FY 2024, there were a total of 64,987 vehicle registration transfers (used vehicle sales) that were required to take an emission test because of the vehicle registration transfer. Therefore, the annual average during the last two years was 32,494 vehicles. If the department takes this annual average and assumes that half of the vehicle registration transfers are even-numbered model year vehicles and half are odd-numbered model year vehicles, then the department would expect to see a reduction in initial inspections during the second year after the bill passes (FY 2027) of 16,247 inspections. The fee for the initial emissions test is \$24, of which \$2.50 is paid to the State. Therefore, the department estimates a reduction in state revenue from inspection fees of approximately \$40,618 that would occur in FY 2027, but no reduction in inspection fee revenue any other year (FY 2026 or FY 2028 and beyond).

Summary of impacts:

\$40,618 one-time reduction in FY 2027 (Fund 1267 - Missouri Air Emission Reduction Fund)
Environmental Program Analyst costs of \$8,332 (based on annual salary of \$57,768), not including fringe and indirect - The department anticipates being able to absorb these costs.

Oversight does not have information to the contrary and therefore, Oversight will reflect the one-time loss of emissions inspection fees indicated by DNR.

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** deferred to DOR for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Cost</u> – DOR – FUSION impacts (§§301.055, 301.070, 301.140, 301.110, 301.142, 301.560, 301.570, 307.350, 301.147& 643.315) p. 5, 6, 8, 13, 15, 18, 19, 20	(\$351,000)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§301.469) p. 10	(\$22,339)	\$0	\$0
<u>Cost</u> – DOR – OA-ITSD services (§§301.3181 & 301.3182) p. 16	(\$14,506)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$387,845)</u>	<u>\$0</u>	<u>\$0</u>
HIGHWAY FUND (0644)			
<u>Revenue</u> – increase in fees collected for motor vehicle registrations (§§301.055, 301.070 & 301.140) p. 4-5	\$0	\$3,636,972	\$3,636,972
<u>Revenue</u> – increase in fees collected for motorcycle/motor-tricycle registrations (§§301.055, 301.070 & 301.140) p. 4-5	\$0	\$104,636	\$104,636
<u>Loss</u> – MoDOT – dealer plate fees being deposited into the Motor Vehicle Commission Fund (§301.560) p. 13-14	<u>\$0</u>	(\$299,721)	(\$299,721)
ESTIMATED NET EFFECT ON THE HIGHWAY FUND (0644)	<u>\$0</u>	<u>\$3,441,887</u>	<u>\$3,441,887</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
MISSOURI AIR EMISSION REDUCTION FUND (1267)			
<u>Loss</u> – DNR – reduced emissions inspection fees (§§301.147 & 643.315) p. 21	<u>\$0</u>	<u>(\$40,618)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE MISSOURI AIR EMISSION REDUCTION FUND (1267)	<u>\$0</u>	<u>(\$40,618)</u>	<u>\$0</u>
MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND			
<u>Revenue</u> – potential administrative fees charged by trailer dealers (§301.558) p. 12	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON THE MOTOR VEHICLE ADMINISTRATION TECHNOLOGY FUND	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
MOTOR VEHICLE COMMISSION FUND (0588)			
<u>Revenue</u> – DOR - dealer plate fees (§301.560) p. 13-14	<u>\$0</u>	<u>\$214,405</u>	<u>\$214,405</u>
ESTIMATED NET EFFECT ON THE MOTOR VEHICLE COMMISSION FUND (0588)	<u>\$0</u>	<u>\$214,405</u>	<u>\$214,405</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> (Cities 15%) – increase in fees collected for motor vehicle registrations (§§301.055, 301.070 & 301.140) p. 4-5	\$0	\$727,394	\$727,394
<u>Revenue</u> (Counties 10%) – increase in fees collected for motor vehicle registrations (§§301.055, 301.070 & 301.140) p. 4-5	\$0	\$484,930	\$484,930
<u>Revenue</u> (Cities 15%) – increase in fees collected for motorcycle/motor-tricycle registrations (§§301.055, 301.070 & 301.140) p. 4-5	\$0	\$20,927	\$20,927
<u>Revenue</u> (Counties 10%) – increase in fees collected for motorcycle/motor-tricycle registrations (§§301.055, 301.070 & 301.140) p. 4-5	\$0	\$13,952	\$13,952
<u>Loss</u> (Cities 15%) – MoDOT – dealer plate fees being deposited into the Motor Vehicle Commission Fund (§301.560) p. 13-14	\$0	(\$59,944)	(\$59,944)
<u>Loss</u> (Counties 10%) – MoDOT – dealer plate fees being deposited into the Motor Vehicle Commission Fund (§301.560) p. 13-14	\$0	(\$39,963)	(\$39,963)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$1,147,296</u>	<u>\$1,147,296</u>

FISCAL IMPACT – Small Business

Any small business that registers motor vehicles, as well as small motor vehicle dealers, will be impacted as a result of this proposal.

KB:LR:OD

FISCAL DESCRIPTION

This proposal modifies provisions relating to motor vehicle licensing.

The effective date of the bill is contingent on the development and maintenance of DOR's modernized, integrated motor vehicle registration and driver licensing system.

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
Department of Natural Resources
Missouri Highway Patrol
Missouri Department of Transportation
Department of Health and Senior Services
Missouri Veterans Commission
Missouri Department of Conservation



Julie Morff
Director
March 14, 2025



Jessica Harris
Assistant Director
March 14, 2025