

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2064H.02P  
Bill No.: Perfected HCS for HB Nos. 799, 334, 424 & 1069  
Subject: Motor Vehicles; Department of Revenue  
Type: Original  
Date: March 12, 2025

---

Bill Summary: This proposal modifies motor vehicle provisions.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	(\$93,212)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$93,212)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Highway Fund (0644)*	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)
Highway Patrol Inspection Fund (0297)*	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown, less than \$250,000)</b>	<b>(Unknown, less than \$250,000)</b>	<b>(Unknown, less than \$250,000)</b>

\*Oversight is unable to determine an exact fiscal impact due to too many variables and unknowns.

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>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§§301.020 & 307.350 – Motor Vehicle Inspections**

Officials from the **Department of Revenue (DOR)** assumed the following regarding these sections of proposal:

#### **Administrative Impact**

To implement the proposed language the Department will be required to:

- Update procedures, manuals, public correspondence, and website materials
- Update department systems to incorporate changed registration requirements
- Train current employees

#### **FY 2026 – Systems Analysis & Support**

Associate Research/Data Analyst 254 hrs. @ \$26.03/hr. =\$6,612

Research/Data Analyst 64 hrs. @ \$27.87/hr. =\$1,784

Administrative Manager 32 hrs. @ \$35.10/hr. =\$1,123

#### **FY 2026 – Strategy & Communications Office**

Associate Research/Data Analyst 80 hrs. @ \$26.03/hr. =\$2,082

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

**Total = \$13,273**

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.

#### **FUSION Impact**

Implementation: 10 hrs. @\$225/hr. = **\$2,250**

**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.

§§301.190 & 307.380 – Motor Vehicle Inspections

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

The provisions added to this bill in Section 307.380, specifically the requirement to bring in the safety inspection at the time of registration when required by this section, conflicts with the safety inspection requirements found in the introduced bill. Additional system and administrative costs could apply. Until this is fixed, the additional costs, if applicable is unknown.

Administrative Impact

To implement the proposed language the Department will be required to:

- Update procedures, manuals, public correspondence, and website materials.
- Train current employees.

FY2026 – Strategy & Communications Office

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

Research/Data Analyst 40 hrs. @ \$27.87/hr. =\$1,115

Total = **\$2,156**

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** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

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 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.

**DOR** notes OA-ITSD services will be required at a cost of **\$70,873** in FY 2026 (674.98 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 Highway Patrol (MHP)** assume the following regarding this proposal:

For each safety inspection performed, one dollar is deposited into the Highway Fund (0644) and fifty cents is deposited into the Highway Patrol Inspection Fund (0297), which would be reduced with this proposed legislation.

This bill removes the requirement for vehicles over 10 years old to be safety inspected prior to registration unless there is an odometer reading of 150,000 or more. Starting with model year 2012 vehicles, the vehicle will only require a safety inspection after reaching 150,000 miles. Each year of registration renewals, starting August 28, 2025, a particular group of vehicles will be exempted from the safety inspection process, which would have been required to be inspected under current law. Each year will add a group of vehicles to that list of exempted vehicles. Every two years, a new group will be added while simultaneously subtracting a percentage of vehicles based on mileage accrued in that year. The projected fiscal impact will have many variables and unknowns.

The methodology used for the calculations are as follows:

- a. Sample data from the Department of Revenue was used to estimate the number of registrations for a given model year (2011) vehicle. The data indicated that 120,000 was a reasonable base number and this model year is the most comparable year for accurate comparison.
- b. Inspection data was utilized to determine that 60% of 2011 model year vehicles inspected in 2023 were under 150,000 miles. 72,000 will be the base number used for estimating newly annual-exempted vehicles.
- c. Each cycle of the biennial inspection would add a percentage of vehicles that were previously exempted by mileage (under 150,000), but are now not exempted. This rate is estimated at 62% of the base number, so that would be added each cycle. On the third cycle, it is assumed 20% of the base can be reasonably added.
- d. Under current law, the safety inspection for registration is only applicable if the vehicle year and the registration year are even/even or odd/odd and will split the amount of vehicles being added as exemptions at the calendar year mark.
- e. The above-referenced projections were utilized to project “exemptions added” by this bill, which would begin on August 28, 2025. This will involve 2015 model vehicle exemptions until December 31, then 2012 and 2014 model vehicle exemptions for 2026 calendar year.

1. Base annual accrual:  $120,000 \times 0.60 = 72,000$   
2. FY 2026: August 28 - December 31, 2025  
 $72,000 \times 0.33 = 23,760$  will use 24,000 +  
January 1 - June 30 ( $72,000 + 44,600$ ) 116,600 will use  $116,000 \times .5 = 58,000 =$

$24,000 + 58,000 = 82,000$  total estimated exemptions FY 2026

3. FY 2027: will exempt 2 models for the entire FY,  $72,000 + 44,000 = 116,000$  total estimated exemptions FY 2027

4. FY 2028: will exempt 2 models 1st half  $116,000 \times .5 = 58,000 +$   
will exempt 3 models 2nd half (2012, 2014, 2016)  
 $(\text{base annual accrual} \times 0.20) + (0.62 \times 72,000) + 72,000 = 14,400 + 44,640 + 72,000 = 131,040 \times$   
 $.5 = 65,520$  (using 65,000)  
 $58,000 + 65,000 = 123,000$  total exemptions

5. FY 2029: will exempt 3 models entire FY,  $65,000 \times 2 = 130,000$

6. FY 2030: unknown but will use 131,000 as an estimate, assuming remaining vehicles in model year are either out of operation, not going to reach 150,000 miles etc.

**Oversight** does not have information to the contrary; however, Oversight assumes there are too many variables to accurately estimate a specific fiscal impact. Therefore, Oversight will reflect an “Unknown, less than \$250,000” loss to the Highway Fund and the Highway Patrol Inspection Fund for each fiscal year.

Officials from the **Missouri Department of Transportation** 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 (HA 2)

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

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.

In response to a similar proposal from 2025 (HB 1355), officials from the **Missouri Veterans Commission** 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.

§32.056 – Confidential Driver Records (HA 3)

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

Proposed language expands the persons eligible to request to have their driver and motor vehicle records marked to prohibit release of personal information to include active and retired persons in eligible occupations and such person's immediate family members.

Administrative Impact

The proposed change will require a modification to the current request form and related policies and procedures for processing such requests. This change will not require any system modifications in the current driver license system environment.

FY 2026 - Driver License Bureau

Research/Data Analyst 15 hrs. @ \$28.75 per hr. =\$431

Administrative Manager 10 hrs. @ \$31.21 per hr. =\$312

FY 2026 - Strategy and Communications Office

Associate Research/Data Analyst 10 hrs. @ \$23.04 per hr. =\$230

Associate Research/Data Analyst 10 hrs. @ \$23.15 per hr. =\$232

FY 2026 - Motor Vehicle Bureau

Research/Data Analyst 15 hrs. @ \$28.89 per hr. =\$433

Administrative Manager 10 hrs. @ \$31.36 per hr. =\$314

Total = **\$1,952**

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 Corrections** 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 (HA 4)

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.

In response to a similar proposal from 2025 (HB 61), officials from the **Missouri Department of Conservation** 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 this agency.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Cost – DOR – OA-ITSD services</u> (§301.190) p. 4	(\$70,873)	\$0	\$0
<u>Cost – DOR – OA-ITSD services</u> (§301.469) p. 9	(\$22,339)	\$0	\$0
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>(\$93,212)</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>HIGHWAY FUND (0644)</b>			
<u>Loss</u> – MHP – less inspections required (§301.190) p. 5-6	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)
<b>ESTIMATED NET EFFECT ON THE HIGHWAY FUND (0644)</b>	<b>(Unknown, less than \$250,000)</b>	<b>(Unknown, less than \$250,000)</b>	<b>(Unknown, less than \$250,000)</b>
<b>HIGHWAY PATROL INSPECTION FUND (0297)</b>			
<u>Loss</u> – MHP – less inspections required (§301.190) p. 5-6	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)	(Unknown, less than \$250,000)
<b>ESTIMATED NET EFFECT ON THE HIGHWAY PATROL INSPECTION FUND (0297)</b>	<b>(Unknown, less than \$250,000)</b>	<b>(Unknown, less than \$250,000)</b>	<b>(Unknown, less than \$250,000)</b>

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

FISCAL IMPACT – Small Business

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

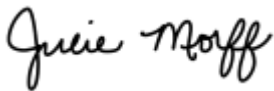
FISCAL DESCRIPTION

This proposal modifies motor vehicle provisions.

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 Highway Patrol  
Missouri Department of Transportation  
Missouri Department of Conservation  
Department of Corrections  
Missouri Veterans Commission



Julie Morff  
Director  
March 12, 2025



Jessica Harris  
Assistant Director  
March 12, 2025