

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2065H.011
Bill No.: HB 969
Subject: Motor Vehicles; Business and Commerce
Type: Original
Date: February 17, 2025

Bill Summary: This proposal modifies provisions relating to motorcycle or all-terrain vehicle franchisors.

FISCAL SUMMARY

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

Officials from the **Department of Revenue (DOR)** assume the proposed language adds additional conditions in which a franchise agreement can be terminated. Additionally, language “repurchase” and “pay to the franchisee” has been added to subsections to clarify the intend of these sections.

Administrative Impact

To implement the proposed language, the Department of Revenue would be required to:

- Update procedures, correspondence letters, forms, and the Department website.
- Update the Dealer and Business operating manual.
- Send communications to Missouri dealers.
- Send communications to stakeholders as applicable.

FY2026 – Strategy & Communications Office

Associate Research/Data Analyst 20 hrs. @ \$26.03/hr. =\$521

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

GRAND TOTAL =\$1,078

Oversight assumes the **Department of Revenue (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 **Attorney General’s Office**, the **Department of Commerce and Insurance**, the **Missouri Department of Transportation**, the **Department of Public Safety – Missouri Highway Patrol**, the **Office of the Secretary of State**, and the **Office of Administration** each 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 for all above respective entities in the fiscal note.

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

<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

A direct fiscal impact to small businesses (various dealers and manufacturers) would be expected as a result of this proposal.

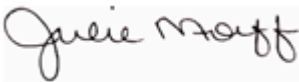
FISCAL DESCRIPTION

Currently, it is unlawful for a motorcycle or all-terrain vehicle franchisor to fail to pay reasonable compensation for certain items to a franchisee upon termination, cancellation, or refusal to continue a franchise or upon the discontinuation of certain line-make parts or products. This bill would make it unlawful to fail to repurchase a franchisee's inventory or other items if the motorcycle or all-terrain franchise agreement is terminated, cancelled, or not renewed by the manufacturer for cause; if the dealer voluntarily terminates an agreement in a permitted manner; if the manufacturer terminates or discontinues a franchise by discontinuing a line-make or by no longer doing business in this State; or if the manufacturer changes the distributor or method of distribution of its products in this State or alters its sales regions or marketing areas within this State in a way that eliminates or diminishes the dealer's market area. The manufacturer must repurchase the items within 30 days of termination.

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

Attorney General's Office
Department of Revenue
Department of Commerce and Insurance
Missouri Department of Transportation
Department of Public Safety – Missouri Highway Patrol
Office of the Secretary of State
Office of Administration



Julie Morff
Director
February 17, 2025



Jessica Harris
Assistant Director
February 17, 2025